DOCUMENT RESUME

ED 217 218 CE 032 829

AUTHOR Brailsford, Amelia T.
TITLE Development of a Criterion Referenced Test for Home Economics (Consumer Education), 10/7/81-6/15/82.
INSTITUTION South Carolina State Dept. of Education, Columbia. Office of Vocational Education.
PUB DATE 82
NOTE 103p.; A few pages may not reproduce clearly because of color.

EDRS PRICE MF01/PC05 Plus Postage.
DESCRIPTORS Consumer Economics; *Consumer Education; *Criterion Referenced Tests; Educational Planning; *Home Economics; Secondary Education; *Test Construction; *Test Items; Tests
IDENTIFIERS South Carolina

ABSTRACT

A project was conducted to develop a criterion-referenced student testing program for secondary home economics (consumer education) in South Carolina. Procedures used to develop the test included the following: (1) the content elements of the consumer education curriculum were identified; (2) each content element was classified into the type and level of knowledge expected of the students; (3) appropriate test items were developed for each content element; (4) items were reviewed for face validity; (5) items were field tested; (6) an item analysis based on field test results was performed; (7) items were revised as necessary; (8) the final form of the test was developed; and (9) the criterion level was set. (Three forms of the tests are included in this document. The tests have some matching exercises, some multiple choice items, and a few short answer items. Number of test items ranges from 109 to 120.) (KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED217218

Development of a Criterion Referenced Test for Home Economics (Consumer Education) 10/7/81 - 6/15/82

Amelia T. Brailsford
Principal Investigator

South Carolina Department of Education
Office of Vocational Education

CE 032 829

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

✓ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

E. L. Knight

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

FORM A

SC8213107

CONSUMER EDUCATION

STUDENT NAME _____ TEACHER NAME _____

Directions

The test you are going to take asks questions about things which are often taught in consumer education courses. Because you may not have covered all of this material you are NOT expected to know all of the answers. However, it is very important that you read each question carefully and attempt to answer each one. If you do not know an answer, just take a guess and go on to the next one. Also, please do not skip around in the test booklet. Begin with question #1 and work through the rest of the test taking the questions in the order in which they appear.

The test has some matching exercises, some multiple choice items, and a few short answer items. You are to write your answers in the test booklet. For the matching exercises, you are to write the letter of the correct choice in the appropriate blanks. For the multiple choice items, write an "X" in the blank beside the response which BEST answers the question or completes the statement. For the short answer items, write your response in the space provided. Some of the items may require you to use some math to figure the answer. For these items, you may use any blank space in the margins of the test booklet for your calculations.

You will be given the entire class period to work on the test. If you do not finish, do not be concerned. Simply turn in your test booklet at the end of class, even if you have not answered all of the questions. If you finish before the time is up, please remain quiet so that those who are still working will not be disturbed.

Please write your name and your teacher's name on the test booklet before you begin working. Do not turn this page until your teacher tells you to begin.

SE 033 825

1. DIRECTIONS: Column A lists examples of ways in which income is earned. Column B lists the four sources of income. Match each source in column B with the appropriate example in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Mr. Jones owns a coal mine.	A. land
_____ 2.	Mr. Smith lends money to farmers to buy seed, fertilizer, equipment, etc.	B. labor C. capital D. transfer payments
_____ 3.	Mrs. Block rents a piece of property to a farmer.	
_____ 4.	Mrs. Brown grows vegetables to sell at the farmer's market on land she rents.	

2. DIRECTIONS: Column A lists examples of uses of credit. Column B lists 4 functions of credit. On the line to the left of each example write the letter of the appropriate function of credit from column B. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	The city of Catesville was unable to meet the payroll for its public service employees. Rather than firing the city workers, a loan was obtained to pay salaries until the financial situation improved.	A. stabilizes the economy B. promotes business formation C. expands production D. raises the level of living
_____ 2.	Jack Brown borrowed $15,000 from the bank. With the money, he opened a neighborhood grocery store.	
_____ 3.	James Smith owned a tremendous ranch. Because he had such a large area to cover in order to over-see the operation, he borrowed the money to buy a helicopter.	
_____ 4.	Jane Smith borrowed enough money to return to graduate school. After obtaining a master's degree, she was able to get a higher paying job.	

3. DIRECTIONS: Column A lists descriptions of various types of special checks or methods of making payment. For each description in column A, indicate the choice from column B to which it applies. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	A form stating that money is to be paid to the person named on the form, and which can be purchased at places other than banks	A. money orders B. traveler's checks C. cashier's checks D. certified checks E. bank draft
_____ 2.	A check of one bank drawn on its own deposits with some other bank	
_____ 3.	A personal check for which payment has been guaranteed by the bank	
_____ 4.	Checks bought in specific denominations which may be cashed anywhere in the world	
_____ 5.	Often used for paying small bills by people who do not have personal checking accounts	

4. DIRECTIONS: On the line to the left of each consumer choice in column A, write the letter of the factor from column B which is most likely to be influencing the consumer's spending. Factors from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Mary paid far more than she could afford for a silk blouse because it would make her "appear so elegant."	A. peers B. status C. cost of living D. impulse buying
_____ 2.	Ann often spends well over her grocery budget on shopping trips. On checking her purchases she finds many small items which were not on her list.	
_____ 3.	The Smith family at one time had extra money for special treats. Now, although they budget carefully, their entire income seems to be needed for necessities.	
_____ 4.	The Jones family lives on a very limited food and clothes budget so they can live in "the finest neighborhood in town."	

5. DIRECTIONS: Column A gives examples which describe the maintenance of, or an attempt to maintain, one of the six national economic goals in the U.S. Column B lists the six national goals. Match each goal with a maintenance activity from column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Federal laws have been passed to insure competition and limit the establishment of monopolies.	A. economic freedom B. economic efficiency C. economic growth D. economic stability E. economic justice F. economic security
_____ 2.	In recent years, federal wage and price controls were imposed in an attempt to reduce inflation.	
_____ 3.	Public assistance programs of various forms are present to help low income groups.	
_____ 4.	In our economic system, it is generally true that the greater producers accrue the greater share of wealth.	
_____ 5.	In general, businesses and property in the U.S. are privately owned.	
_____ 6.	Over the years, the general level of living in the U.S. has steadily increased.	

6. DIRECTIONS: Column A gives examples of attempts to meet various human needs. Match each need in column B with an example of how people meet that need as described in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	When Jackie was on a hiking trip a terrible thunder storm came up suddenly. He had to crawl into a cave to wait for it to end.	A. self-actualization B. esteem C. love and belongingness D. security/safety E. physiological
_____ 2.	I do not feel that my best talents are used in my present job.	
_____ 3.	My mother has the greatest respect for doctors, so I am going to medical school.	
_____ 4.	When the temperature dropped to below zero on the camping trip, Joan was grateful for the down sleeping bag.	

7. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	offers protection only for a a stated period of time	A. term insurance B. limited-payment life C. endowment insurance D. straight life E. combination life F. annuity contract
_____ 2.	pays a definite sum to survivors at policy holder's death, or to policy holder at a stated time if death has not occurred	
_____ 3.	a basic insurance policy which provides protection over a long period of years	
_____ 4.	has no cash or loan value	
_____ 5.	sometimes called ordinary life	

8. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a life insurance policy which restricts payment of premiums to a stated number of years	A. term insurance B. limited-payment life C. endowment insurance D. straight life E. combination life F. annuity contract
_____ 2.	best form of life insurance for the purpose of providing protection to dependents of policy holder	
_____ 3.	provides a guaranteed monthly or yearly income beginning at a specific age	
_____ 4.	provides maximum protection at lowest possible cost	
_____ 5.	effective way of providing income after retirement	

9. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a 40 year old worker who is fired from his job	A. social security old age insurance
_____ 2.	a young child, dependent of a man who became paralyzed at age 45	B. workmen's compensation
_____ 3.	a 65 year old retired worker	C. unemployment compensation
_____ 4.	a 30 year old who was severely injured in a job related accident	D. aid to needy dependent children
_____ 5.	a young child, dependent of a 65 year old retired worker	E. social security survivor's benefits
		F. social security disability insurance

10. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a hospitalized 67 year old woman	A. social security survivor's insurance
_____ 2.	a 20 year old college student whose father retired at age 65	B. medicare
_____ 3.	a hospitalized person from a low income family	C. medicaid
_____ 4.	a 50 year old miner with black lung disease	D. social security disability insurance
_____ 5.	a 68 year old man who requires periodic kidney dialysis	E. social security old age insurance
		F. workmen's compensation

11. DIRECTIONS: Column A lists major purposes of insurance. Column B lists major types of insurance policies. Match each purpose in column A with the appropriate policy type from column B. Choices from column B may be used once or more than once.

Column A		Column B
_____ 1.	provides income after retirement	A. life insurance
_____ 2.	protection against financial loss due to causing injury to another person	B. property insurance C. liability insurance D. medical insurance
_____ 3.	provides income to survivors of the insured	
_____ 4.	savings for future needs	
_____ 5.	protection against financial loss due to causing damage to the property of others	
_____ 6.	protection against financial loss due to damage to the contents of the home	
_____ 7.	replaces a portion of income lost due to illness	
_____ 8.	protection against financial loss due to theft of contents of an automobile	
_____ 9.	may be borrowed against to cover financial emergencies	

12. In the blank beside each example below write:
A - if the example describes <u>a consumer good</u>
B - if the example describes <u>a capital good used in the production of a consumer good</u>
C - if the example describes <u>a capital good used in the production of a consumer service</u>

_____ a law book, used by a lawyer to research a case
_____ a mystery book read by a student for pleasure
_____ a receipt book used in a restaurant by the chef
_____ a history book used by a student to study for an exam
_____ a mystery book used by an English professor to teach literature

13. In the blank beside each of the following items write:
A - if it is a characteristic of a command or directed economic system
B - if it is a characteristic of a traditional economy
C - if it is a characteristic of a market economy

_____ Basic economic decisions are made by governmental bodies.
_____ Economic decisions are heavily influenced by custom or habit.
_____ Decisions about what goods and services to produce are largely made in response to buyer's spending patterns.
_____ Very low level of industrialization
_____ Individuals have very little control over the allocation of resources.
_____ People have little desire to change their way of life.
_____ Individuals have greatest degree of freedom of choice in economic matters.
_____ Prices are largely controlled by desire to make a profit.

14. It has been said that all individuals play three major economic roles; consumer, worker, and citizen. For each statement below mark:
A - if the statement refers to an activity in the worker role
B - if the statement refers to an activity in the consumer role
C - if the statement refers to an activity in the citizen role

_____ A tailor sews the seam in a customer's suit.
_____ Jack Brown goes to the public library.
_____ Jamie Smith rents her land to a farmer.
_____ The farmer buys a new tractor.
_____ Mary used her electric stove.
_____ Cal Todd pays his property taxes.
_____ The psychologist conducts a marriage counseling session.
_____ Joann serves on jury duty.
_____ Alice receives her weekly paycheck.
_____ The salesman prepares a stock display.

15. In the following items you are to judge the effects of certain personal characteristics on the dollar amount paid yearly to purchase $5,000 worth of straight life insurance bought at age 45. For each item, write in the answer blank:
A - if the characteristic would tend to raise the dollar amount paid
B - if the characteristic would tend to lower the dollar amount paid
C - if the characteristic would tend to have no effect on the dollar amount paid

_____ The insurance is bought by a deep sea diver.
_____ The insurance is bought by a certified public accountant.
_____ The insurance is bought at age 30 instead of at age 45.
_____ The insurance is bought by a person with high blood pressure.
_____ The insurance is bought by a person with a bad cold.

16. Attitudes or opinions about right and wrong, or how one's life should be lead, are referred to as personal:

_____ A. goals
_____ B. standards
_____ C. values

17. Each of the following is a step in the process of value clarification EXCEPT:

_____ A. identifying alternatives
_____ B. identifying resources
_____ C. evaluating consequences
_____ D. choosing freely

18. The things an individual intends to accomplish are called personal:

_____ A. goals
_____ B. values
_____ C. standards

19. A strong concern for status is indicated MOST CLEARLY by which of the following spending patterns?

_____ A. spending which is primarily influenced by a carefully planned budget
_____ B. spending which is primarily influenced by a desire to appear wealthy or successful
_____ C. spending which is primarily influenced by custom or habit

20. Property which is promised to a lender in the event that a loan is not repaid is known as:

_____ A. collateral
_____ B. comaker
_____ C. chattel

21. A second party who agrees to take responsibility for a debt if the borrower fails to repay is known as the:

_____ A. securer
_____ B. cosigner
_____ C. endorser
_____ D. credit reference

22. Mr. Jones bought a trailer for his boat which later proved to be defective. After several unsuccessful attempts to have the trailer repaired or replaced by the dealer, he filed a complaint with the Better Business Bureau. Which of the following consumer rights was Mr. Jones exercising?

_____ A. the right to be informed
_____ B. the right to redress
_____ C. the right to choose

23. End of season clothing sales is a good example of prices being affected by:

_____ A. supply and demand
_____ B. advertising campaigns
_____ C. availability of funds
_____ D. production decisions

24. Which of the following factors would be LEAST important in evaluating sources of consumer information about products?

_____ A. presence and quality of testing information
_____ B. degree to which information is presented in an interesting format
_____ C. qualifications of the person presenting the information
_____ D. degree to which the source of the information would be expected to be biased about the product

25. The major responsibility for protection against deceptive selling practices lies with:

_____ A. Better Business Bureaus
_____ B. Department of Consumer Affairs
_____ C. Individual consumers
_____ D. U.S. Justice Department

26. Under certain circumstances, some insurance offers what is known as a waiver of premiums. Which of the following synonyms for the word waiver comes closest to its meaning as it is used in this term?

_____ A. postponed
_____ B. deferred
_____ C. omitted

27. Which of the following types of information is NOT required on an application for a life insurance policy?

_____ A. marital status
_____ B. educational status
_____ C. person to receive benefits
_____ D. place of birth

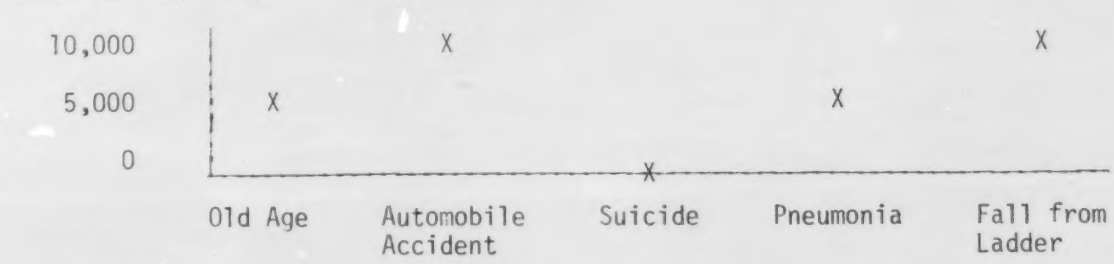
28. A person selected and named in a will to settle one's estate and properly distribute property is called a (an):

_____ A. administrator
_____ B. executor
_____ C. distributor
_____ D. proprietor

29. Which of the following best defines the term estate?

_____ A. the house, lot and any other real estate owned by a deceased person
_____ B. the real estate and monetary funds owned by a deceased person
_____ C. the sum total of all property, both real and personal, owned by a deceased person

The graph below illustrates the amount of benefits paid on a certain insurance policy for death of various causes. Use the information in the graph to answer questions 30 and 31.



30. The face value of the policy is represented by the amount of benefits paid in the event of death by which of the following causes?

_____ A. automobile accident
_____ B. suicide
_____ C. fall from ladder
_____ D. pneumonia

31. The insurance policy described above contained which of the following?

_____ A. a premium waiver and cash value
_____ B. a double indemnity clause and exclusions
_____ C. an incontestable clause only
_____ D. a premium waiver only

32. Which of the following is an advantage of consumer finance companies as a source of credit?

_____ A. charge lower interest rates than most other sources of credit
_____ B. accept credit applications from consumers who cannot obtain loans from most other sources
_____ C. are restricted from requiring collateral as a condition of credit

33. A period during which there is high unemployment, very little flow of money, and a sharp reduction in production is called a (an):

_____ A. inflation
_____ B. depression
_____ C. recession
_____ D. restriction

34. The gross national product is defined as:

_____ A. the total number of products produced in one year
_____ B. the total number of products produced in one month
_____ C. the total dollar value of all goods and services produced in one month
_____ D. the total dollar value of all goods and services produced in one year

35. In general, consumer demand for a product and the price of the product move:

_____ A. horizontally
_____ B. vertically
_____ C. in the same direction
_____ D. in opposite directions

36. The selection of goals is largely a result of our values, but the achievement of goals is largely dependent upon our:

_____ A. standards
_____ B. needs
_____ C. resources

37. On a shopping trip, Mrs. Smith bought some candles, a book of stamps, a box of stationery, and a prescribed medication. Which of the items was MOST LIKELY to be a need rather than a want?

_____ A. the candles
_____ B. the stamps
_____ C. the stationery
_____ D. the medicine

38. Which of the following services or facilities is NOT provided by taxes?

_____ A. security guards in department stores
_____ B. parks and recreational areas
_____ C. establishment and maintenance of libraries
_____ D. assistance for people seeking employment

39. Private property is BEST defined as:

_____ A. only those material goods owned by an individual
_____ B. the house, lot, and other real estate owned by an individual
_____ C. any portion of an individual's income which is kept, regardless of its form

40. Which of the following services or facilities is NOT provided by taxes?

_____ A. national defense system
_____ B. maintenance of roads
_____ C. administration of churches
_____ D. retirement insurance

41. The degree of excellence required in objects or accomplishments is referred to as personal:

_____ A. goals
_____ B. values
_____ C. standards

42. In the formula for gross national product, GNP = C + I + G + F, the "C" stands for:

_____ A. consumer expenditures
_____ B. consumer income
_____ C. capital goods produced
_____ D. capital goods sold

43. From the following list of characteristics, choose those which accurately apply to pawnbrokers as a source of credit:

1. charge moderate to low interest rates
2. grant credit to those who cannot obtain loans from any other source
3. do not require collateral as a condition of credit
4. often charge extremely high interest rates

_____ A. 1, 2, and 3
_____ B. 1, 3, and 4
_____ C. 1 and 4, only
_____ D. 2 and 4, only

44. Which of the following statements best defines social security?

_____ A. an insurance protection system established by privately owned insurance firms
_____ B. an insurance protection system established by the U.S. government
_____ C. an insurance protection system established by employers as a fringe benefit for employees

45. According to the principle of the circular flow of economic activity, what effect does increased consumer purchasing have on the level of production by businesses?

_____ A. The level of production increases.
_____ B. The level of production decreases.
_____ C. Consumer purchasing has no effect on the level of production.

46. According to the principle of the circular flow of economic activity, what effect does increased consumer purchasing have on consumer purchasing power?

_____ A. Consumer purchasing power increases.
_____ B. Consumer purchasing power decreases.
_____ C. Increased consumer purchasing has no effect on consumer purchasing power.

47. Mr. Smith bought an electric sander to use in his furniture repair business. The electric sander may be described as:

_____ A. a consumer good used in the production of a consumer service
_____ B. a capital good used in the production of a consumer good
_____ C. a capital good used in the production of a consumer service
_____ D. a consumer good used in the production of a capital good

48. In which of the following sentences is the term consumer used correctly?

_____ A. To strengthen the economy we need more spending by consumers and less by governmental agencies.
_____ B. By selling goods and services to others, consumers increase the economic activity in the state.
_____ C. The wise consumer plans his spending carefully.

49. The study of the process by which people make and spend income is called:

_____ A. budgetary analysis
_____ B. economics
_____ C. consumerism
_____ D. agronomy

50. In economics, those activities involved in making goods and services available for sale are called:

_____ A. production
_____ B. distribution
_____ C. allocation
_____ D. consumption

51. In the automobile industry in the 1980's the volume of production has decreased and the retail price for cars has increased. This illustrates a condition described by which of the following terms?

_____ A. inflation
_____ B. depression
_____ C. recession
_____ D. consumption

52. The gross national product during a recession as compared to the gross national product during a period of prosperity would be expected to:

_____ A. decrease slightly during recession
_____ B. increase slightly during recession
_____ C. increase sharply during recession
_____ D. decrease sharply during recession

53. Inflation affects the economy in each of the following ways EXCEPT:

_____ A. decreased prices
_____ B. increased prices
_____ C. increase in wages demanded
_____ D. decreased value of the dollar

54. During an inflationary period, which of the following groups is most adversely affected?

_____ A. people in high income brackets
_____ B. people in middle income brackets
_____ C. people who live on fixed incomes
_____ D. people who are self-employed

55. Which of the following BEST describes the relationship between the right to own private property and a market economic system?

_____ A. Ownership of private property occurs only in market economies.
_____ B. Without the right to own private property, a market economy would not exist.
_____ C. The right to own private property is a desirable but not essential element in a market economy.

56. The total dollar value of all goods and services produced in a year is known as the:

_____ A. net national assets
_____ B. gross national product
_____ C. aggregate national economy
_____ D. coordinate national index

57. Which of the following expresses most accurately the major purpose of advertising?

_____ A. provide information to consumers
_____ B. establish a brand name or slogan
_____ C. sell goods and services
_____ D. promote the popularity of one brand over another

58. Impulse spending is best described as:

_____ A. goal directed
_____ B. guided by a shopping list
_____ C. sudden and thoughtless
_____ D. carefully planned

59. Advertising techniques which appeal to logic by presenting basic facts and information about the product are known as:

_____ A. primary advertising
_____ B. selective advertising
_____ C. rational appeals
_____ D. emotional appeals

60. Which of the following BEST defines the term gross pay?

_____ A. the amount you are paid before withholdings are deducted
_____ B. the amount of income available to you after withholdings are deducted
_____ C. the amount of your income which is available to you after fixed expenses are paid

61. Which of the following BEST defines the term net pay?

_____ A. the amount you are paid before withholdings are deducted
_____ B. the amount of pay available to you after withholdings are deducted
_____ C. the amount of pay which is available after withholdings and paying fixed expenses

62. In planning a budget, it is usually recommended that amounts for savings should be:

_____ A. allotted only after all other expenditures are estimated
_____ B. included only if there are "left over" funds at the end of the spending period
_____ C. planned in advance as a fixed expense

63. Use of a carefully planned budget can help the consumer in each of the following ways EXCEPT:

_____ A. helps identify wasteful spending
_____ B. helps in planning to meet financial goals
_____ C. increases likelihood that funds will be available to meet essential expenses
_____ D. increases spendable income

64. Alice Reddy received a check on which her name was spelled "Alice Redy." Which of the following is the correct way for Alice to endorse this check?

_____ A. on the back left hand of the check write: Alice Reddy
_____ B. on the back right hand end of the check write: Alice Redy
_____ C. on the back left hand end write: Alice Redy
Alice Reddy
_____ D. on the back right hand end write: Alice Redy
Alice Reddy

65. The signature on the back of a check which is required before the bank will pay the check amount is known as the:

_____ A. endorsement
_____ B. reconciliation
_____ C. authorized signature
_____ D. cancellation

66. Which of the following is the primary purpose of the FDIC?

_____ A. investigates accusations of misuse of Federal deposits
_____ B. regulates the flow of funds and sets prime interest rates
_____ C. insures against loss of bank deposits due to bank failure or theft
_____ D. fixes interest rates which may be charged for corporate debts

67. A safety deposit box is BEST defined as a metal box which is:

_____ A. purchased and used to store valuables in the home
_____ B. used to store valuables and is rented from a bank or savings and loan
_____ C. used by banks to store funds of depositors which require ready access

68. An arrangement which allows a bank to routinely transfer funds from a checking account to a savings account at regular intervals is known as:

_____ A. transfer of funds
_____ B. revolving funds
_____ C. automatic savings
_____ D. now savings

69. In banking terms the person who is making payment by check is known as the:

_____ A. payor
_____ B. payee
_____ C. drawee
_____ D. drawer

70. Which of the following is the best example of a use of credit to expand production?

_____ A. Using low interest farm loans, South Carolina farmers planted larger tobacco crops.
_____ B. City council approves a loan to build a low-income housing project.
_____ C. Mr. Smith applies for a three-year car loan.

71. Aggregate economic analysis refers to a study of:

_____ A. the relationships among those parts of the total economy which relate to foreign trade
_____ B. the economic balance between governmental assets and liabilities
_____ C. the current balance between economic resource allocation and distribution
_____ D. the relationships existing between all major parts of the total economy

72. Which of the following is a form of credit characterized by repayment which occurs in a series of fixed payments?

_____ A. installment loans
_____ B. secured loans
_____ C. comaker loans

73. Credit rating is best defined as:

_____ A. an evaluation of the advantages and disadvantages of various forms of credit
_____ B. a record of the total accumulated debt of the consumer
_____ C. the likelihood, based on various forms of evidence, that debts will be paid
_____ D. an evaluation of the degree to which lenders follow fair credit practices in consumer lending

74. Which of the following financial institutions offers the widest variety of services to consumers?

_____ A. commercial banks
_____ B. savings and loan associations
_____ C. credit unions
_____ D. industrial banks

75. Bankruptcy is a bad debt remedy which may be requested by:

_____ A. creditors, only
_____ B. debtors, only
_____ C. either debtors or creditors

76. All of the following are true of bankruptcy as a credit remedy EXCEPT:

_____ A. forces sale of all property owned by a debtor
_____ B. discharges all financial obligations of a debtor
_____ C. allows a debtor to start over with a clear credit record and has no effect on future use of credit
_____ D. likely to result in an inability to obtain credit for several years after proceedings

77. One type of credit contract used in the sale of movable goods is a chattel mortgage. Which of the following is true of this type of contract?

_____ A. title goes to buyer, but seller retains a claim against goods until debt is repaid
_____ B. title remains with seller until debt is repaid
_____ C. seller obtains a mortgage on buyer's home until debt is repaid

78. Andy Jones borrowed $100 to buy a small portable television. His loan was paid off in ten equal payments. His finance charge was $7.50. What annual percentage rate did he pay?

_____ A. 7%
_____ B. 14%
_____ C. 16%
_____ D. 18%

79. The Federal laws which have been passed to restrict the establishment of monopolies are intended to protect which of the following consumer rights?

_____ A. the right to be informed
_____ B. the right to choose
_____ C. the right to be heard
_____ D. the right to redress

80. Each of the following is suggested to avoid deceptive selling practices EXCEPT:

_____ A. deal with reputable firms
_____ B. resist being pressured into a hurry-up deal
_____ C. have an attorney inspect all contracts before signing
_____ D. read and be sure you understand all printed materials

81. A danger of buying inferior brands is most likely to be a problem when shopping in which of the following types of retail outlets?

_____ A. department stores
_____ B. specialty shops
_____ C. discount stores

82. Grade designations on food labels provide consumers with information about which of the following?

_____ A. quantity
_____ B. quality
_____ C. nutritive value
_____ D. serving size

83. In a discussion of the purpose of insurance and how insurance works, which of the following would NOT be a correct statement?

_____ A. In insurance, many people pay small amounts for protection against large financial loss.
_____ B. In effect, the insurance company "uses" the money paid in premiums by many people to cover the financial loss of one person.
_____ C. The insurance company uses the law of averages, or the law of probability, to predict loss.
_____ D. The insurance company is able to accurately predict the amount of loss to an individual at a specific point in time.

84. Which of the medical insurance plans below would be used to cover the cost of a doctor's fee for performing an operation such as removal of tonsils or appendix?

_____ A. major medical
_____ B. general medical
_____ C. surgical expense
_____ D. hospitalization

85. Which of the following is NOT one of the major purposes of medical insurance?

_____ A. to provide funds to pay costs of severe illness or accidents
_____ B. to provide funds to pay for regular medical care
_____ C. to replace income lost as a result of illness or accident
_____ D. to protect medical personnel against financial loss due to malpractice suits

86. A sum of money which is payable yearly is called an:

_____ A. endowment
_____ B. annuity
_____ C. endorsement
_____ D. exclusion

87. Jack Brown wishes to buy an insurance policy which will give him a source of income after he retires from his job. Which of the following policies will BEST meet his need?

_____ A. limited payment life
_____ B. straight life
_____ C. long-term endowment

88. Which of the following is NOT a synonym for straight life?

_____ A. term life
_____ B. ordinary life
_____ C. whole life

89. A set sum of money paid periodically as payment to an insurance company is known as the:

_____ A. risk
_____ B. premium
_____ C. cash value
_____ D. face value

90. Personal information given to the agent or company when applying for insurance is called the:

_____ A. condition
_____ B. endorsement
_____ C. declaration
_____ D. liability

91. Which of the following sentences best illustrates the meaning of the term insured as it applies to insurance policies?

_____ A. Mr. Brown, the insured, named his wife to receive the money from his policy.
_____ B. Mr. Brown insured that his wife would have income after his death.
_____ C. The agent insured me that a straight life policy was the best for my needs.

92. Many laws have a statute of limitations which requires that a person accused of breaking the law must be tried within a certain number of years, after which no legal action may be taken. Which of the following life insurance provisions is most similar to the statute of limitations?

_____ A. nonforfeiture clause
_____ B. incontestable clause
_____ C. premium waiver
_____ D. double indemnity

93. Which of the following is a correct statement about the relationship between age and insurance rates?

_____ A. as age of the buyer increases, automobile insurance rates go up and life insurance rates go down
_____ B. as age of the buyer increases, automobile insurance rates go down and life insurance rates go up
_____ C. as age of the buyer increases, automobile and life insurance rates both go up
_____ D. as age of the buyer increases, automobile and life insurance rates both go down
_____ E. age has no effect on either life insurance or automobile insurance rates

94. Insurance which protects the consumer who is responsible for injury to others and/or the property of others is called:

_____ A. term
_____ B. deductible
_____ C. collision
_____ D. liability

95. Which type of automobile insurance covers damage to the property of others as a result of a collision for which you are at fault?

_____ A. property damage liability
_____ B. comprehensive physical damage
_____ C. collision insurance
_____ D. uninsured motorists

96. Which type of automobile insurance pays benefits to cover damage to your car resulting from events OTHER THAN running into another object while driving?

_____ A. comprehensive physical damage
_____ B. property damage liability
_____ C. collision insurance
_____ D. uninsured motorists

97. All other factors being equal, which of the following people would pay the most for automobile insurance?

_____ A. an eighteen year old female
_____ B. an eighteen year old male
_____ C. a sixty-five year old female
_____ D. a sixty-five year old male

98. Which of the following is NOT a reason for social insurance programs?

_____ A. prevent the needy from becoming burdens on society
_____ B. provide minimal financial security for citizens
_____ C. provide funds to insure total financial support of the needy

99. Social insurance may provide benefits for each of the following EXCEPT:

_____ A. loss of income due to injury on the job
_____ B. loss of income due to disability
_____ C. financial problems due to causing injury to others

100. Which of the following statements is most true of wills?

_____ A. Having a will insures that none of one's assets will be used to pay outstanding debts.
_____ B. In the absence of a will, the entire estate automatically goes to the surviving spouse.
_____ C. A will is the best way to insure that property will be distributed according to one's wishes.

101. A person appointed by the court to settle an estate and properly distribute property is called a (an):

_____ A. administrator
_____ B. executor
_____ C. distributor
_____ D. proprietor

102. A provision in an insurance policy which provides for twice the amount of death benefit if death occurs as the result of an accident is known as a:

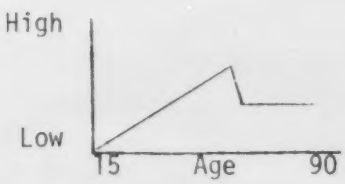
_____ A. rider
_____ B. premium waiver
_____ C. double indemnity
_____ D. mortality clause

103. John Brown and Jack Smith are both 40 year old men. John has 3 dependents: his wife, a 5 year old son, and a 7 year old daughter. Jack has 3 dependents also: his wife, a 6 year old son, and a 16 year old son. On the basis of this information alone, which of the following would you consider most true of the two men's long-term life insurance needs?

_____ A. The two will need the same amount of insurance.
_____ B. John Brown will need more insurance.
_____ C. Jack Smith will need more insurance.

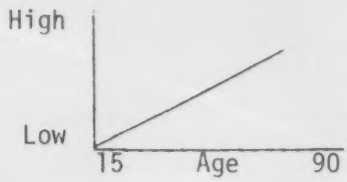
DIRECTIONS: Refer to the three graphs below to answer question 104.

Graph A



Graph B

Graph C



104. Ignoring the possible influence of other factors, which of the graphs above depicts MOST accurately the relationship between age and earnings/income?

_____ A. graph A
_____ B. graph B
_____ C. graph C

Use the information in the story below to answer questions 105 through 106.

Each month, Mike deposits a set amount of money into two savings accounts. One is for a television set he intends to buy this month.[1] He has been saving for this a long time, because he wants a very expensive set---"the best money can buy."[2] The other account is an IRA which he has been contributing to in order to prepare for his retirement.[3] Although he has several insurance policies and an annuity fund, the IRA account is very important to him. He likes to have a sense of security[4] and does not want to worry about living like a pauper in his old age.[5]

105. In the story, which of the underlined phrases refer(s) to a long-range goal?

_____ A. phrase 1, only
_____ B. phrase 3, only
_____ C. both phrase 1 and phrase 3
_____ D. both phrase 1 and phrase 4
_____ E. none of the above

106. From the story, you can BEST infer that Mike values:

_____ A. material possessions, only
_____ B. future life more than present life
_____ C. security and being able to live well

Use the information in the story below to answer question 107.

Jake had been saving money to buy a speed boat. However, before he saved enough, his wife announced that she was expecting their first baby. Jake felt very strongly about parents' responsibility to educate their children. Therefore, he decided not to buy the boat but to leave the money in the savings account as a "college fund."

107. From the story, how would you describe Jake's values?

_____ A. values material possessions, only
_____ B. values education and parental responsibility, only
_____ C. values education and parental responsibility more highly than material possessions

108. Hal wished to become a doctor so he began to make decisions about education after high school. He listed three schools he was interested in attending and carefully researched each one. Hal chose the one with the best pre-med program. When it was time to enroll, Hal found that he could not afford the tuition and related expenses. Which step in the decision-making process did Hal neglect?

_____ A. identify alternatives
_____ B. consider values involved
_____ C. consider resources needed
_____ D. consider consequences

Use the information in the story below to answer item 109.

Jack Smith, at age 22, bought an $8,000 life insurance policy for which he paid $100 a year. At age 65, he had an emergency need for cash so he cancelled his policy and received $4,660 from the insurance company.

109. Which of the following is the premium on Jack's policy?

_____ A. $8,000
_____ B. $ 100
_____ C. $4,660
_____ D. $4,300

110. As result of serious illness, Mary Brown had medical expenses of $1,000. Her major medical insurance terms covered 80% of her costs after the deductible of $150. How much of the remaining expenses will Mary have to pay?

_____ A. $170
_____ B. $136
_____ C. $150
_____ D. $200

Use the information below to answer questions 111 through 112.

Mrs. Wells was hospitalized for 60 days with a serious illness which required an operation. Her medical expenses were:

Hospital room and board	$5,100
Other hospital charges	$3,884
Surgical expenses	$ 800
Physician's fees	$1,260

111. Mrs. Wells' hospitalization insurance pays up to $40 per day for room and board and covers up to $720 for other hospital charges. Her surgical expense coverage allows up to $600 for surgery expenses and her regular medical coverage allowed $420 for physician fees. She has no major medical insurance. How much did Mrs. Wells have to pay as a result of her illness?

_____ A. $6,904
_____ B. $9,264
_____ C. $4,140

112. Using the same information provided above, suppose that Mrs. Wells also had a major medical policy with a $50 deductible and a 20% co-insurance clause. How much would Mrs. Wells have to pay in this case?

_____ A. $1,842.80
_____ B. $1,370.80
_____ C. $ 929.00
_____ D. $ 818.00
_____ E. $ 778.00

Figure 1 on page 27 presents an example of an actual credit contract which is used in a local business. Answer questions 113 through 115 by referring to this contract.

113. Which of the following is true of this contract?

_____ A. requires insurance coverage
_____ B. allows prepayment with lower interest charges
_____ C. does NOT contain all information required under the Truth in Lending Laws

114. This contract is an example of which of the following types of credit agreements?

_____ A. promissory note
_____ B. revolving credit account
_____ C. secured installment contract
_____ D. secured non-installment contract

115. From the sample contract, identify each of the following:

$\_\_\_\_\_$ the purchase cost of the goods bought under this agreement
$\_\_\_\_\_$ the cost of credit in this example
$\_\_\_\_\_$ the cost of credit in annual percentage rate
$\_\_\_\_\_$ date payment is due each month

Figure 1

SELLER sells BUYER the CONSUMER GOODS described below (herinafter called the GOODS) retaining a purchase money security interest therein, upon the terms and the conditions set forth herein on the face and reverse of this the original Purchase Money Security Agreement.

QUAN	MFGR	NO	ARTICLES, (DESCRIPTION OF THE GOODS)	CODE	SELLING PRICE
1	Solar	955	Comp. Stereo w/stand	N38	319.95
1	Philco	C3543	Console TV Ser# 5705781	K79	869.00

BUYER agrees to pay to SELLER the TOTAL OF PAYMENTS (as shown in Item 11) in Seventeen (no. of payments) monthly payments consisting of 16 (number) payments of $72.00 (amount) and a final payment of $69.00 (amount) the first such payment shall be due on or before the Jan. 1, 1977 (day, month, year), and thereafter on the same day of each successive month until the amount of the TOTAL OF PAYMENTS has been paid in full; together with a delinquency charge of five (5%) per cent of each payment, or five dollars ($5.00), whichever is the lesser, if any payment is not paid in full within ten (10) days after the day on which any payment is due.

BUYER further agrees to pay SELLER the Pick-Up Payment prior to Dec. 1, 1976 (day, month, and year), which has been included as part of the Total Down Payment. No FINANCE CHARGE is ever imposed on the Pick-Up Payment.

Further, if suit be instituted upon BUYER'S default to enforce collection of any unpaid balance hereunder or to enforce any of the BUYER'S obligations hereunder BUYER agrees to pay all of the expenses which SELLER incurs, including, but not limited to, reasonable attorneys fees, reasonable costs or repossessing the goods herein described or referred to, bond costs and court costs.

If TOTAL OF PAYMENTS is paid in full by cash, refinancing, consolidation with subsequent purchase from SELLER, acceleration as herein provided, or otherwise, prior to the date when the last payment is due, BUYER shall receive a rebate of the unearned FINANCE CHARGE computed under the Rule of 78's.

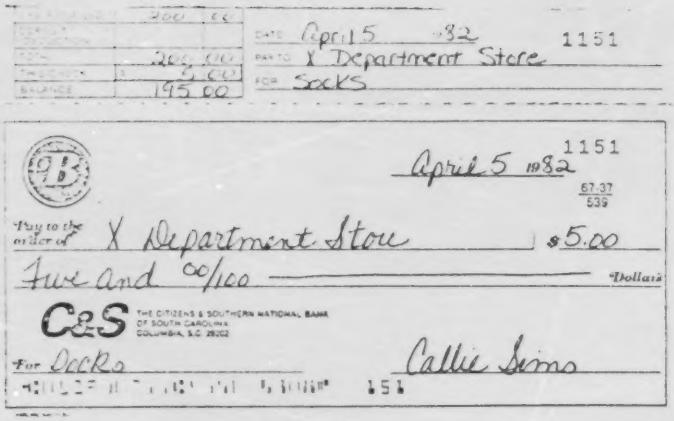
1. Price	$	1188.95
2. Sales Tax	$	47.56
3. Cash Price.	$	1236.51
Less:		
(A) Cash Down Payment	$	100.00
(B) Trade In	$	100.00
(C) Pick-Up Payment	$	32.51
4. Total Down Payment. . . .	$	231.51
5. Unpaid Balance of Cash Price	$	1004.00
6. Other Charge, If Any	$	
(A) (Descritpion of Charge)		
7. (A) Unpaid Balance or Prior Contract(s) (If Any)		
Being Refinanced . . (A)	$	39.00
Less:		
(B) Unearned Finance Charge Computed Under Rule of 78's . . . . (B)	$	39.00 (7A minus 7B)
8. Unpaid Balance - Amount Financed	$	1043.00 (Sum of 5,6,7)
9. FINANCE CHARGE. . . . . (Computed Upon Items 5,6,7)	$	178.00
10. Deferred Payment Price. . . .	$	1453.51 (Sum of3,6,7,9
11. Total of Payments	$	1221.00 (Sum of 8and9)
12. ANNUAL PERCENTAGE RATE. . . .		21.75 %

The security interest of SELLER includes the goods previously sold BUYER(s) as described in Purchase Money Security Agreements Number(s)				
	000002	000775	001363	00014
	000176	000255	001791	

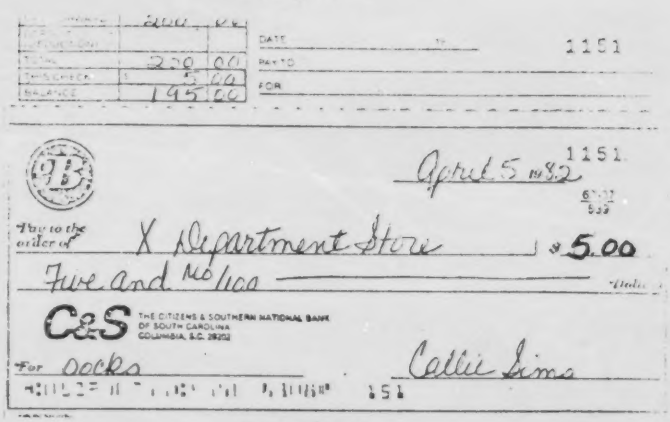
116. Below are four examples of top stub checks written to X Department Store for five dollars. Which of the samples illustrates a check which is correctly written and stubbed?

_____ A. example 1
_____ B. example 2
_____ C. example 3
_____ D. example 4

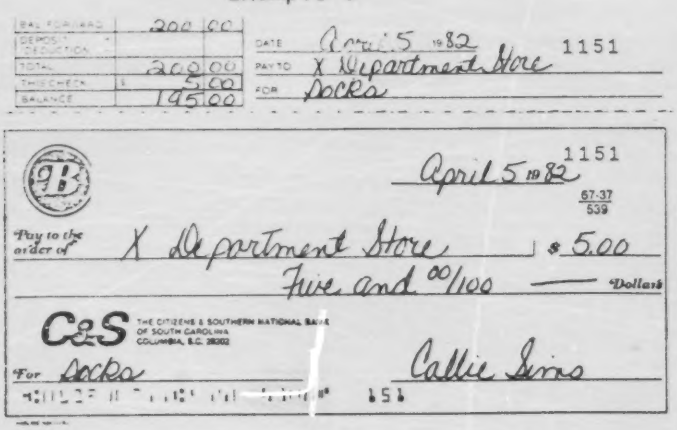
Example 1


BAL FORWARD 200 00
DEPOSIT OR ADDITION
TOTAL 200 00
THIS CHECK $ 5 00
BALANCE 195 00
DATE April 5 1982
PAY TO X Department Store
FOR Socks
1151
April 5 1982 1151
67-37 539
Pay to the order of X Department Store $5.00
Five and 00/100 Dollars
C&S THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA COLUMBIA, S.C. 29202
For Socks
Callie Sims

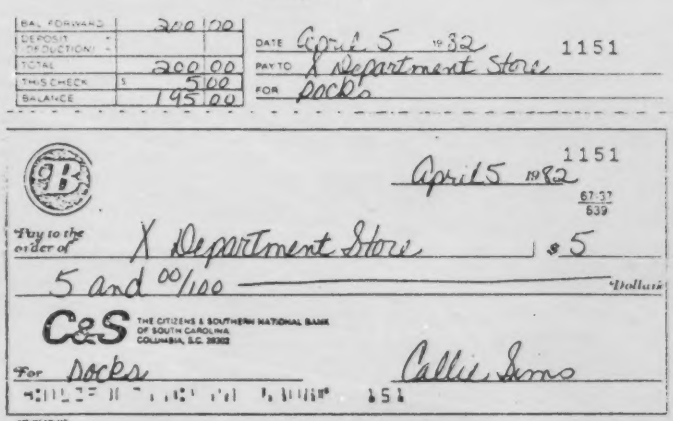
Example 2



Example 3


BAL FORWARD 200 00
DEPOSIT OR ADDITION
TOTAL 200 00
THIS CHECK $ 5 00
BALANCE 195 00
DATE April 5 1982
PAY TO X Department Store
FOR Socks
1151
April 5 1982 1151
67-37 539
Pay to the order of X Department Store $5.00
Five and 00/100 Dollars
C&S THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA COLUMBIA, S.C. 29202
For Socks
Callie Sims

Example 4


BAL FORWARD 200 00
DEPOSIT OR ADDITION
TOTAL 200 00
THIS CHECK $ 5 00
BALANCE 195 00
DATE April 5 1982
PAY TO X Department Store
FOR Socks
1151
April 5 1982 1151
67-37 539
Pay to the order of X Department Store $5
5 and 00/100 Dollars
C&S THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA COLUMBIA, S.C. 29202
For Socks
Callie Sims

117. Below is a sample checkbook register. Demonstrate the correct way to enter a check in a book register by entering the check written by Callie Sims in question number 116 on the blank space in the check register.

CHECK NO	DATE	CHECK ISSUED TO	AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
		BALANCE BROUGHT FORWARD				257 00
1147	4/1	James Brown	10 00			247 00
1148	4/2	Southern Bell	21 50			225 50
1149	4/2	Gulf Oil	50 00			175 50
1150	4/5	DOE & D	65 50			110 00
	4/5	Deposit			90 00	200 00

Jack Cunningham is a resident of South Carolina and works at a job with a salary of $6 per hour, and time and a half for overtime (i.e. $9 per hour). He is single and claims only himself as an exemption on his income tax. The first week in May, Jack worked his usual 40 hours plus 2 hours of overtime. Use this information and, when necessary, the sample tax tables on pages 30-31 to answer questions 118 and 119. The tax table on page 30 is taken from the Federal Internal Revenue Service--Circular E. The tax table on page 31 is taken from the State of South Carolina Income Tax Withholding Tables.

118. Which of the following is Jack's gross pay for this week?

_____ A. $213.07
_____ B. $212.20
_____ C. $240.00
_____ D. $258.00

119. Which of the following is Jack's net pay for this week?

_____ A. $208.12
_____ B. $193.22
_____ C. $212.80
_____ D. $258.00

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid After September 1981 and Before July 1982)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld shall be—										
$135	$140	$17.80	$14.10	$10.50	$7.40	$4.70	$2.00	$0	$0	$0	$0	$0
140	145	18.70	15.10	11.40	8.20	5.40	2.70	0	0	0	0	0
145	150	19.70	16.00	12.40	9.00	6.10	3.40	.70	0	0	0	0
150	160	21.10	17.50	13.80	10.20	7.20	4.40	1.70	0	0	0	0
160	170	23.00	19.40	15.70	12.10	8.80	5.80	3.10	.40	0	0	0
170	180	24.90	21.30	17.60	14.00	10.40	7.30	4.50	1.80	0	0	0
180	190	27.00	23.20	19.50	15.90	12.20	8.90	5.90	3.20	.50	0	0
190	200	29.40	25.10	21.40	17.80	14.10	10.50	7.40	4.60	1.90	0	0
200	210	31.80	27.20	23.30	19.70	16.00	12.40	9.00	6.00	3.30	.60	0
210	220	34.20	29.60	25.20	21.60	17.90	14.30	10.60	7.50	4.70	2.00	0
220	230	36.60	32.00	27.40	23.50	19.80	16.20	12.50	9.10	6.10	3.40	.80
230	240	39.00	34.40	29.80	25.40	21.70	18.10	14.40	10.70	7.70	4.80	2.20
240	250	41.40	36.80	32.20	27.60	23.60	20.00	16.30	12.60	9.30	6.20	3.60
250	260	43.80	39.20	34.60	30.00	25.50	21.90	18.20	14.50	10.90	7.80	5.00
260	270	46.20	41.60	37.00	32.40	27.80	23.80	20.10	16.40	12.80	9.40	6.40
270	280	48.90	44.00	39.40	34.80	30.20	25.70	22.00	18.30	14.70	11.00	7.90
280	290	51.80	46.40	41.80	37.20	32.60	28.00	23.90	20.20	16.60	12.90	9.50
290	300	54.70	49.10	44.20	39.60	35.00	30.40	25.80	22.10	18.50	14.80	11.20
300	310	57.60	52.00	46.60	42.00	37.40	32.80	28.10	24.00	20.40	16.70	13.10
310	320	60.50	54.90	49.40	44.40	39.80	35.20	30.50	25.90	22.30	18.60	15.00
320	330	63.40	57.80	52.30	46.80	42.20	37.60	32.90	28.30	24.20	20.50	16.90
330	340	66.50	60.70	55.20	49.60	44.60	40.00	35.30	30.70	26.10	22.40	18.80
340	350	69.70	63.60	58.10	52.50	47.00	42.40	37.70	33.10	28.50	24.30	20.70
350	360	72.90	66.70	61.00	55.40	49.80	44.80	40.10	35.50	30.90	26.30	22.60
360	370	76.10	69.90	63.90	58.30	52.70	47.20	42.50	37.90	33.30	28.70	24.50
370	380	79.30	73.10	66.90	61.20	55.60	50.00	44.90	40.30	35.70	31.10	26.50
380	390	82.50	76.30	70.10	64.10	58.50	52.90	47.40	42.70	38.10	33.50	28.90
390	400	85.70	79.50	73.30	67.20	61.40	55.80	50.30	45.10	40.50	35.90	31.30
400	410	88.90	82.70	76.50	70.40	64.30	58.70	53.20	47.60	42.90	38.30	33.70
410	420	92.10	85.90	79.70	73.60	67.40	61.60	56.10	50.50	45.30	40.70	36.10
420	430	95.30	89.10	82.90	76.80	70.60	64.50	59.00	53.40	47.80	43.10	38.50
430	440	98.60	92.30	86.10	80.00	73.80	67.70	61.90	56.30	50.70	45.50	40.90
440	450	102.30	95.50	89.30	83.20	77.00	70.90	64.80	59.20	53.60	48.00	43.30
450	460	106.00	98.90	92.50	86.40	80.20	74.10	67.90	62.10	56.50	50.90	45.70
460	470	109.70	102.60	95.70	89.60	83.40	77.30	71.10	65.00	59.40	53.80	48.30
470	480	113.40	106.30	99.10	92.80	86.60	80.50	74.30	68.20	62.30	56.70	51.20
480	490	117.10	110.00	102.80	96.00	89.80	83.70	77.50	71.40	65.20	59.60	54.10
490	500	120.80	113.70	106.50	99.40	93.00	86.90	80.70	74.60	68.40	62.50	57.00
500	510	124.50	117.40	110.20	103.10	96.20	90.10	83.90	77.80	71.60	65.50	59.90
510	520	128.20	121.10	113.90	106.80	99.70	93.30	87.10	81.00	74.80	68.70	62.80
520	530	131.90	124.80	117.60	110.50	103.40	96.50	90.30	84.20	78.00	71.90	65.70
530	540	135.60	128.50	121.30	114.20	107.10	100.00	93.50	87.40	81.20	75.10	68.90
540	550	139.30	132.20	125.00	117.90	110.80	103.70	96.70	90.60	84.40	78.30	72.10
550	560	143.00	135.90	128.70	121.60	114.50	107.40	100.30	93.80	87.60	81.50	75.30
560	570	146.70	139.60	132.40	125.30	118.20	111.10	104.00	97.00	90.80	84.70	78.50
570	580	150.40	143.30	136.10	129.00	121.90	114.80	107.70	100.60	94.00	87.90	81.70
580	590	154.10	147.00	139.80	132.70	125.60	118.50	111.40	104.30	97.20	91.10	84.90
590	600	157.80	150.70	143.50	136.40	129.30	122.20	115.10	108.00	100.80	94.30	88.10
600	610	161.50	154.40	147.20	140.10	133.00	125.90	118.80	111.70	104.50	97.50	91.30
610	620	165.20	158.10	150.90	143.80	136.70	129.60	122.50	115.40	108.20	101.10	94.50
620	630	168.90	161.80	154.60	147.50	140.40	133.30	126.20	119.10	111.90	104.80	97.70
630	640	172.60	165.50	158.30	151.20	144.10	137.00	129.90	122.80	115.60	108.50	101.40
640	650	176.30	169.20	162.00	154.90	147.80	140.70	133.60	126.50	119.30	112.20	105.10
650	660	180.00	172.90	165.70	158.60	151.50	144.40	137.30	130.20	123.00	115.90	108.80
660	670	183.70	176.60	169.40	162.30	155.20	148.10	141.00	133.90	126.70	119.60	112.50
		37 percent of the excess over $670 plus—										
$670 and over		185.50	178.40	171.30	164.20	157.10	149.90	142.80	135.70	128.60	121.50	114.40

WEEKLY

Number of Exemptions

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
$00	$ 1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2	.04	0	0	0	0	0	0	0	0	0	0
2	5	.10	0	0	0	0	0	0	0	0	0	0
5	10	.20	0	0	0	0	0	0	0	0	0	0
10	15	.30	0	0	0	0	0	0	0	0	0	0
15	22	.44	.09	0	0	0	0	0	0	0	0	0
22	23	.46	.11	0	0	0	0	0	0	0	0	0
23	24	.48	.12	0	0	0	0	0	0	0	0	0
24	25	.50	.14	0	0	0	0	0	0	0	0	0
25	26	.52	.16	0	0	0	0	0	0	0	0	0
26	27	.54	.18	0	0	0	0	0	0	0	0	0
27	28	.56	.20	0	0	0	0	0	0	0	0	0
28	29	.58	.21	0	0	0	0	0	0	0	0	0
29	30	.60	.23	0	0	0	0	0	0	0	0	0
30	31	.62	.25	0	0	0	0	0	0	0	0	0
31	32	.64	.27	0	0	0	0	0	0	0	0	0
32	33	.66	.29	0	0	0	0	0	0	0	0	0
33	34	.68	.30	0	0	0	0	0	0	0	0	0
34	35	.70	.32	.01	0	0	0	0	0	0	0	0
35	36	.72	.34	.03	0	0	0	0	0	0	0	0
36	37	.74	.36	.05	0	0	0	0	0	0	0	0
37	38	.76	.38	.07	0	0	0	0	0	0	0	0
38	39	.79	.39	.09	0	0	0	0	0	0	0	0
39	40	.82	.41	.10	0	0	0	0	0	0	0	0
40	41	.85	.43	.12	0	0	0	0	0	0	0	0
41	42	.88	.45	.14	0	0	0	0	0	0	0	0
42	43	.91	.47	.16	0	0	0	0	0	0	0	0
43	44	.94	.48	.18	0	0	0	0	0	0	0	0
44	45	.97	.50	.19	0	0	0	0	0	0	0	0
45	46	1.00	.52	.21	0	0	0	0	0	0	0	0
46	47	1.03	.54	.23	0	0	0	0	0	0	0	0
47	48	1.06	.56	.25	0	0	0	0	0	0	0	0
48	49	1.09	.57	.27	0	0	0	0	0	0	0	0
49	50	1.12	.59	.28	0	0	0	0	0	0	0	0
50	51	1.15	.61	.30	0	0	0	0	0	0	0	0
51	52	1.18	.63	.32	.01	0	0	0	0	0	0	0
52	53	1.21	.65	.34	.03	0	0	0	0	0	0	0
53	54	1.24	.66	.36	.05	0	0	0	0	0	0	0
54	55	1.27	.68	.37	.07	0	0	0	0	0	0	0
55	56	1.30	.70	.39	.09	0	0	0	0	0	0	0
56	57	1.33	.72	.41	.10	0	0	0	0	0	0	0
57	58	1.36	.74	.43	.12	0	0	0	0	0	0	0
58	59	1.39	.75	.45	.14	0	0	0	0	0	0	0
59	60	1.42	.77	.46	.16	0	0	0	0	0	0	0
60	62	1.48	.83	.50	.19	0	0	0	0	0	0	0
62	64	$1.54	$.88	$.54	$.23	$0	$0	$0	$0	$0	$0	$0
64	66	1.60	.94	.57	.27	0	0	0	0	0	0	0
66	68	1.66	.99	.61	.30	0	0	0	0	0	0	0
68	70	1.72	1.04	.64	.34	.03	0	0	0	0	0	0
70	72	1.78	1.10	.68	.37	.07	0	0	0	0	0	0
72	74	1.84	1.15	.72	.41	.10	0	0	0	0	0	0
74	76	1.90	1.21	.75	.45	.14	0	0	0	0	0	0
76	78	1.97	1.26	.80	.48	.17	0	0	0	0	0	0
78	80	2.05	1.31	.85	.52	.21	0	0	0	0	0	0
80	82	2.13	1.37	.91	.55	.25	0	0	0	0	0	0
82	84	2.21	1.42	.96	.59	.28	0	0	0	0	0	0
84	86	2.29	1.48	1.01	.63	.32	.01	0	0	0	0	0
86	88	2.37	1.53	1.07	.66	.35	.05	0	0	0	0	0
88	90	2.45	1.58	1.12	.70	.39	.08	0	0	0	0	0
90	92	2.53	1.64	1.18	.73	.43	.12	0	0	0	0	0
92	94	2.61	1.69	1.23	.77	.46	.15	0	0	0	0	0
94	96	2.69	1.75	1.28	.82	.50	.19	0	0	0	0	0
96	98	2.77	1.81	1.34	.88	.53	.23	0	0	0	0	0
98	100	2.85	1.87	1.39	.93	.57	.26	0	0	0	0	0
100	105	3.05	2.05	1.53	1.07	.66	.35	.04	0	0	0	0
105	110	3.25	2.25	1.66	1.20	.75	.44	.13	0	0	0	0
110	115	3.45	2.45	1.80	1.34	.87	.53	.22	0	0	0	0
115	120	3.69	2.65	1.93	1.47	1.01	.62	.31	.01	0	0	0
120	125	3.94	2.85	2.11	1.61	1.14	.71	.40	.10	0	0	0
125	130	4.19	3.05	2.29	1.74	1.28	.82	.49	.19	0	0	0
130	135	4.44	3.25	2.47	1.88	1.41	.95	.58	.28	0	0	0
135	140	4.69	3.45	2.65	2.04	1.55	1.09	.67	.37	.06	0	0
140	145	4.94	3.69	2.83	2.22	1.68	1.22	.76	.46	.15	0	0
145	150	5.19	3.94	3.01	2.40	1.82	1.36	.90	.55	.24	0	0
150	160	5.75	4.44	3.37	2.76	2.14	1.63	1.17	.73	.42	.11	0
160	170	6.35	4.94	3.80	3.12	2.50	1.90	1.44	.97	.60	.29	0
170	180	6.95	5.45	4.25	3.48	2.86	2.25	1.71	1.24	.78	.47	.16
180	190	7.55	6.05	4.70	3.93	3.22	2.61	1.99	1.51	1.05	.65	.34
190	200	8.23	6.65	5.19	4.42	3.65	3.00	2.38	1.81	1.35	.89	.54
200	210	8.93	7.25	5.75	4.92	4.15	3.40	2.78	2.17	1.65	1.19	.74
210	220	9.63	7.88	6.35	5.43	4.65	3.88	3.18	2.57	1.95	1.49	1.02
220	230	10.33	8.58	6.95	6.03	5.15	4.38	3.62	2.97	2.35	1.79	1.32
230	240	11.03	9.28	7.55	6.63	5.71	4.88	4.12	3.37	2.75	2.14	1.62
240	250	11.73	9.98	8.23	7.23	6.31	5.38	4.62	3.85	3.15	2.54	1.92
250	260	12.43	10.68	8.93	7.85	6.91	5.98	5.12	4.35	3.58	2.94	2.32
260	270	13.13	11.38	9.63	8.55	7.51	6.58	5.66	4.85	4.08	3.34	2.72
270	280	13.83	12.08	10.33	9.25	8.18	7.18	6.26	5.35	4.58	3.81	3.12
280	290	14.53	12.78	11.03	9.95	8.88	7.80	6.86	5.94	5.08	4.31	3.54
290	Over	Amount shown on line above plus seven percent (7%) of excess over $290.00.										

Figure 1 is a copy of the front page of a fictional bank statement sent to Mary Brown. Figure 2 is a copy of the back page of the statement and consists of a form to be used in reconciling the statement. Figure 3 is a copy of Mary's checkbook register. Mary has begun to reconcile her statement and has marked with an "X" each check and deposit which has cleared her account. You are to complete the reconciliation and answer question 120 on the basis of your results. You may use the form in figure 2 for your calculations, if you wish.

Figure 1

CHECKING ACCOUNT STATEMENT

THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA

THE GREAT C&S BALANCING ACT

ACCOUNT NO.	STATEMENT DATE	PAGE NO.
XXXX-XX-XXXX	03 20 80	01

Mary Brown
000 My Street
My Town, South Carolina

MINIMUM BALANCE 49.23 ON 03/14/80

ITEMS ENCLOSED	BALANCE LAST STATEMENT	DEPOSITS NO.	DEPOSITS AMOUNT	CHECKS NO.	CHECKS AMOUNT	SERVICE CHARGE	BALANCE THIS STATEMENT
12	170 00	1	170 00	10	187 52	2 65	149 83

CHECKS AND OTHER DEBIT ITEMS

CHECK NUMBER	DATE PAID	AMOUNT	CHECK NUMBER	DATE PAID	AMOUNT
96	3 06	10 00	102	3 18	30 00
97	3 07	10 00	103	3 13	25 00
98	3 11	4 68	104	3 14	12 00
99	3 11	34 09	*106	3 20	22 00
100	3 20	14 75	SVC CHG		2 65SC
101	3 11	25 00			

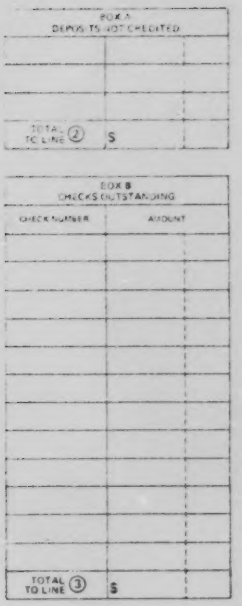
DEPOSITS

DATE	AMOUNT
3 08	17000

CC ERR * Out of Check Sequence SC Service Charge CR Overdrawn DM Debit Memo CM Credit Memo RT Returned Check OC Overdraft Charge EC Error Correction

35/A

Figure 2



BOX A DEPOSITS NOT CREDITED		
TOTAL TO LINE ②	$	

BOX B CHECKS OUTSTANDING	
CHECK NUMBER	AMOUNT
TOTAL TO LINE ③	$

TO BALANCE YOUR CHECK BOOK WITH THIS STATEMENT FOLLOW THESE EASY STEPS:

- List and total in BOX A all deposits outstanding as of statement date.
- Use asterisks to locate outstanding checks. List and total these checks in BOX B.
- Subtract from your check book balance all service charges or other bank charges listed on this statement.

① ENTER CURRENT BALANCE From other side of statement		$
② ADD TOTAL OF BOX A	+	$
TOTAL OF ① AND ②		$
③ SUBTRACT TOTAL OF BOX B	−	$
BALANCED TOTAL		$

CHECK BOOK TOTAL SHOULD AGREE - IF DIFFERENT:

- Make certain all bank charges have been subtracted from your check book balance.
- Compare checks and deposit amounts in your check book with those shown on this statement.
- Double check all additions and subtractions.

Figure 3

CHECK NO.	DATE	CHECK ISSUED TO		AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
				BALANCE BROUGHT FORWARD			170 00
96	3/4	Bank Card Center	X	10 00			160 00
97	3/4	City of my town	X	10 00			150 00
98	3/4	Time	X	14 75			135 25
99	3/7	My town grocery	X	34 09			101 16
	3/7	Deposit	X			170 00	271 16
100	3/8	Postmaster	X	4 68			266 48
101	3/10	Cash	X	25 00			241 48
102	3/13	SCE&G	X	30 00			211 48
103	3/13	Southern Bell	X	25 00			186 48
104	3/19	James Brown	X	12 00			174 48
105	3/19	My town grocery		15 00			159 48
106	3/19	My town bookstore	X	22 00			137 48
	3/21	Deposit				200 00	337 48
107	3/21	Molly Smith		25 00			312 48

120. Which of the following is true of Mary's check register?

_____ A. Mary's balance is correct as it is.
_____ B. Mary should enter an adjusted balance of $149.83 in her register.
_____ C. Mary should enter an adjusted balance of $309.83 in her register.
_____ D. There is an addition or subtraction error in Mary's register.

SC8213107 FORM B

CONSUMER EDUCATION

STUDENT NAME _____ TEACHER NAME _____

Directions

The test you are going to take asks questions about things which are often taught in consumer education courses. Because you may not have covered all of this material you are NOT expected to know all of the answers. However, it is very important that you read each question carefully and attempt to answer each one. If you do not know an answer, just take a guess and go on to the next one. Also, please do not skip around in the test booklet. Begin with question #1 and work through the rest of the test taking the questions in the order in which they appear.

The test has some matching exercises, some multiple choice items, and a few short answer items. You are to write your answers in the test booklet. For the matching exercises, you are to write the letter of the correct choice in the appropriate blanks. For the multiple choice items, write an "X" in the blank beside the response which BEST answers the question or completes the statement. For the short answer items, write your response in the space provided. Some of the items may require you to use some math to figure the answer. For these items, you may use any blank space in the margins of the test booklet for your calculations.

You will be given the entire class period to work on the test. If you do not finish, do not be concerned. Simply turn in your test booklet at the end of class, even if you have not answered all of the questions. If you finish before the time is up, please remain quiet so that those who are still working will not be disturbed.

Please write your name and your teacher's name on the test booklet before you begin working. Do not turn this page until your teacher tells you to begin.

1. Which of the following is an advantage of consumer finance companies as a source of credit?

_____ A. charge lower interest rates than most other sources of credit
_____ B. accept credit applications from consumers who cannot obtain loans from most other sources
_____ C. are restricted from requiring collateral as a condition of credit

2. A period during which there is high unemployment, very little flow of money, and a sharp reduction in production is called a (an):

_____ A. inflation
_____ B. depression
_____ C. recession
_____ D. restriction

3. The gross national product is defined as:

_____ A. the total number of products produced in one year
_____ B. the total number of products produced in one month
_____ C. the total dollar value of all goods and services produced in one month
_____ D. the total dollar value of all goods and services produced in one year

4. In general, consumer demand for a product and the price of the product move:

_____ A. horizontally
_____ B. vertically
_____ C. in the same direction
_____ D. in opposite directions

5. The selection of goals is largely a result of our values, but the achievement of goals is largely dependent upon our:

_____ A. standards
_____ B. needs
_____ C. resources

6. On a shopping trip, Mrs. Smith bought some candles, a book of stamps, a box of stationery, and a prescribed medication. Which of the items was MOST LIKELY to be a need rather than a want?

_____ A. the candles
_____ B. the stamps
_____ C. the stationery
_____ D. the medicine

Use the information below to answer questions 7 and 8.

Mrs. Wells was hospitalized for 60 days with a serious illness which required an operation. Her medical expenses were:

Hospital room and board	$5,100
Other hospital charges	$3,884
Surgical expenses	$ 800
Physician's fees	$1,260

7. Mrs. Wells' hospitalization insurance pays up to $40 per day for room and board and covers up to $720 for other hospital charges. Her surgical expense coverage allows up to $600 for surgery expenses and her regular medical coverage allows $420 for physician fees. She has no major medical insurance. How much did Mrs. Wells have to pay as a result of her illness?

_____ A. $6,904
_____ B. $9,264
_____ C. $4,140

8. Using the same information provided above, suppose that Mrs. Wells also had a major medical policy with a $50 deductible and a 20% co-insurance clause. How much would Mrs. Wells have to pay in this case?

_____ A. $1,842.80
_____ B. $1,370.80
_____ C. $ 929.00
_____ D. $ 818.00
_____ E. $ 778.00

Figure 1 on page 3 presents an example of an actual credit contract which is used in a local business. Answer questions 9 through 11 by referring to this contract.

9. Which of the following is true of this contract?

_____ A. requires insurance coverage
_____ B. allows prepayment with lower interest charges
_____ C. does NOT contain all information required under the Truth in Lending Laws

10. This contract is an example of which of the following types of credit agreements?

_____ A. promissory note
_____ B. revolving credit account
_____ C. secured installment contract
_____ D. secured non-installment contract

11. From the sample contract, identify each of the following:

$\_\_\_\_\_$ the purchase cost of the goods bought under this agreement
$\_\_\_\_\_$ the cost of credit in this example
$\_\_\_\_\_$ the cost of credit in annual percentage rate
$\_\_\_\_\_$ date payment is due each month

Figure 1

SELLER sells BUYER the CONSUMER GOODS described below (herinafter called the GOODS) retaining a purchase money security interest therein, upon the terms and the conditions set forth herein on the face and reverse of this the original Purchase Money Security Agreement.

QUAN	MFGR	NO	ARTICLES, (DESCRIPTION OF THE GOODS)	CODE	SELLING PRICE
1	Solar	955	Comp. Stereo w/stand	N88	319.95
1	Philco	C3543	Console TV Ser# 5705781	K79	869.00

BUYER agrees to pay to SELLER the TOTAL OF PAYMENTS (as shown in Item 11) in Seventeen (no. of payments) monthly payments consisting of 16 (number) payments of $ 72.00 (amount) and a final payment of $69.00 (amount) the first such payment shall be due on or before the Jan. 1, 1977 (day, month, year), and thereafter on the same day of each successive month until the amount of the TOTAL OF PAYMENTS has been paid in full; together with a delinquency charge of five (5%) per cent of each payment, or five dollars ($5.00), whichever is the lesser, if any payment is not paid in full within ten (10) days after the day on which any payment is due.

BUYER further agrees to pay SELLER the Pick-Up Payment prior to Dec. 1, 1976 (day, month, and year), which has been included as part of the Total Down Payment. No FINANCE CHARGE is ever imposed on the Pick-Up Payment.

Further, if suit be instituted upon BUYER'S default to enforce collection of any unpaid balance hereunder or to enforce any of the BUYER'S obligations hereunder BUYER agrees to pay all of the expenses which SELLER incurs, including, but not limited to, reasonable attorneys fees, reasonable costs or repossessing the goods herein described or referred to, bond costs and court costs.

If TOTAL OF PAYMENTS is paid in full by cash, refinancing, consolidation with subsequent purchase from SELLER, acceleration as herein provided, or otherwise, prior to the date when the last payment is due, BUYER shall receive a rebate of the unearned FINANCE CHARGE computed under the Rule of 78's.

1. Price	$ 1188.95	
2. Sales Tax	$ 47.56	
3. Cash Price	$ 1236.51	
Less:		
(A) Cash Down Payment	$ 100.00	
(B) Trade In	$ 100.00	
(C) Pick-Up Payment	$ 32.51	
4. Total Down Payment		$ 231.51
5. Unpaid Balance of Cash Price	$ 1004.00	
6. Other Charge, If Any	$	
(A) (Descritpion of Charge)		
7. (A) Unpaid Balance or Prior Contract(s) (If Any)		
Being Refinanced (A)	$ 39.00	
Less:		
(B) Unearned Finance Charge Computed Under Rule of 78's (B)	$ 39.00 (7A minus 7B)	
8. Unpaid Balance - Amount Financed	$ 1043.00 (Sum of 5,6,7)	
9. FINANCE CHARGE (Computed Upon Items 5,6,7)		$ 178.00
10. Deferred Payment Price		$ 1453.51 (Sum of 3,6,7,9
11. Total of Payments		$ 1221.00 (Sum of 8and9)
12. ANNUAL PERCENTAGE RATE		21.75 %

The security interest of SELLER includes the goods previously sold BUYER(s) as described in Purchase Money Security Agreements Number(s)				
	000002	000775	001363	001425
	000190	000255	001791	

Figure 1 is a copy of the front page of a fictional bank statement sent to Mary Brown. Figure 2 is a copy of the back page of the statement and consists of a form to be used in reconciling the statement. Figure 3 is a copy of Mary's checkbook register. Mary has begun to reconcile her statement and has marked with an "X" each check and deposit which has cleared her account. You are to complete the reconciliation and answer question 12 on the basis of your results. You may use the form in figure 2 for your calculations, if you wish.

Figure 1

CHECKING ACCOUNT STATEMENT

THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA

ACCOUNT NO.	STATEMENT DATE	PAGE NO.
XXXX-XX-XXXX	03 20 80	01

Mary Brown
000 My Street
My Town, South Carolina

C&S BALANCING ACT

MINIMUM BALANCE 49.23 ON 03/14/80

ITEMS ENCLOSED	BALANCE LAST STATEMENT	DEPOSITS NO.	DEPOSITS AMOUNT	CHECKS NO.	CHECKS AMOUNT	SERVICE CHARGE	BALANCE THIS STATEMENT
12	370 00	1	170 00	10	187 52	2 65	349 83

CHECKS AND OTHER DEBIT ITEMS						DEPOSITS	
CHECK NUMBER	DATE PAID	AMOUNT	CHECK NUMBER	DATE PAID	AMOUNT	DATE	AMOUNT
96	3 06	10 00	102	3 18	30 00	3 08	170 00
97	3 07	10 00	103	3 13	25 00		
98	3 11	4 68	104	3 14	12 00		
99	3 11	34 09	*106	3 20	22 00		
100	3 20	14 75	SVC CHG		2 65SC		
101	3 11	25 00					

ODDES * Break in Check Sequence SC Service Charge CR Correction DM Debit Memo CM Credit Memo RT Returned Check OC Overdraft Charge EC Error Correction

Figure 2

BOX A DEPOSITS NOT CREDITED		
TOTAL TO LINE ②	$	

BOX B CHECKS OUTSTANDING	
CHECK NUMBER	AMOUNT
TOTAL TO LINE ③	$

TO BALANCE YOUR CHECK BOOK WITH THIS STATEMENT FOLLOW THESE EASY STEPS:

- List and total in BOX A all deposits outstanding as of statement date.
- Use asterisks to locate outstanding checks. List and total these checks in BOX B.
- Subtract from your check book balance all service charges or other bank charges listed on this statement.

① ENTER CURRENT BALANCE From other side of statement	$
② ADD TOTAL OF BOX A	+ $
TOTAL OF ① AND ②	$
③ SUBTRACT TOTAL OF BOX B	− $
BALANCED TOTAL	$

CHECK BOOK TOTAL SHOULD AGREE - IF DIFFERENT:

- Make certain all bank charges have been subtracted from your check book balance.
- Compare checks and deposit amounts in your check book with those shown on this statement.
- Double check all additions and subtractions.

Figure 3

CHECK NO.	DATE	CHECK ISSUED TO		AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
				BALANCE BROUGHT FORWARD			170 00
96	3/4	Bank Card Center	X	10 00			160 00
97	3/4	City of my town	X	10 00			150 00
98	3/4	Time	X	14 75			135 25
99	3/7	My town grocery	X	34 09			101 16
	3/7	Deposit	X			170 00	271 16
100	3/8	Postmaster	X	4 68			266 48
101	3/10	Cash	X	25 00			241 48
102	3/13	SCE&G	X	30 00			211 48
103	3/13	Southern Bell	X	25 00			186 48
104	3/19	James Brown	X	12 00			174 48
105	3/19	My town grocery		15 00			159 48
106	3/19	My town bookstore	X	22 00			137 48
	3/21	Deposit				200 00	337 48
107	3/21	Molly Smith		25 00			312 48

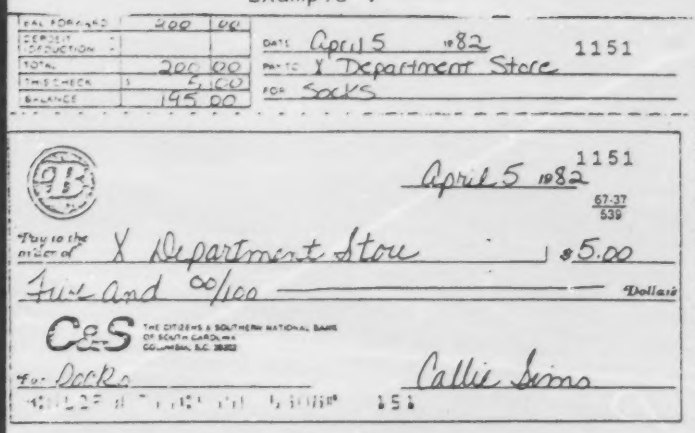
12. Which of the following is true of Mary's check register?

_____ A. Mary's balance is correct as it is.
_____ B. Mary should enter an adjusted balance of $149.83 in her register.
_____ C. Mary should enter an adjusted balance of $309.83 in her register.
_____ D. There is an addition or subtraction error in Mary's register.

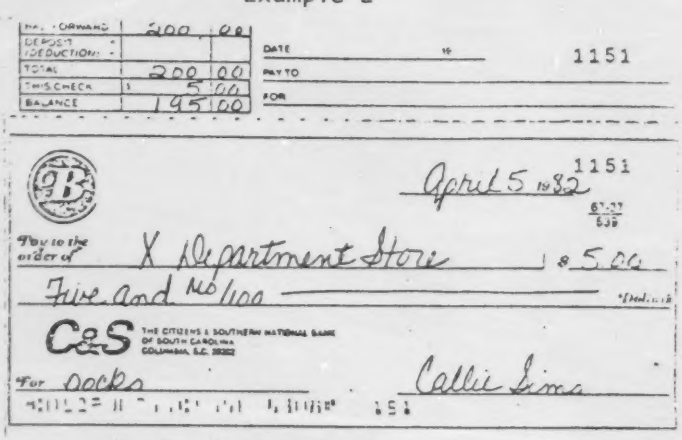
13. Below are four examples of top stub checks written to X Department Store for five dollars. Which of the samples illustrates a check which is correctly written and stubbed?

_____ A. example 1
_____ B. example 2
_____ C. example 3
_____ D. example 4

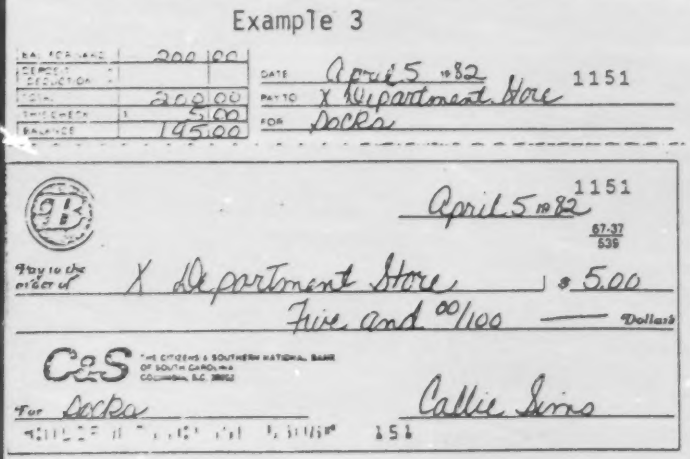
Example 1



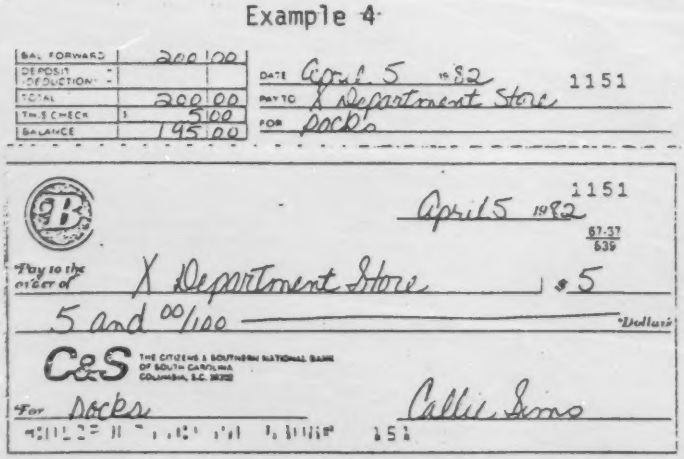
Example 2



Example 3



Example 4



14. Below is a sample checkbook register. Demonstrate the correct way to enter a check in a book register by entering the check written by Callie Sims in question number 13 on the blank space in the check register.

CHECK NO.	DATE	CHECK ISSUED TO	AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
		BALANCE BROUGHT FORWARD				257 00
1147	4/1	James Brown	10 00			247 00
1148	4/2	Southern Bell	21 50			225 50
1149	4/2	Gulf Oil	50 00			175 50
1150	4/5	DOE & B	65 50			110 00
	4/5	Deposit			90 00	200 00

Jack Cunningham is a resident of South Carolina and works at a job with a salary of $6 per hour, and time and a half for overtime (i.e. $9 per hour). He is single and claims only himself as an exemption on his income tax. The first week in May, Jack worked his usual 40 hours plus 2 hours of overtime. Use this information and, when necessary, the sample tax tables on pages 8-9 to answer questions 15 and 16. The tax table on page 8 is taken from the Federal Internal Revenue Service--Circular E. The tax table on page 9 is taken from the State of South Carolina Income Tax Withholding Tables.

15. Which of the following is Jack's gross pay for this week?

_____ A. $213.07
_____ B. $212.20
_____ C. $240.00
_____ D. $258.00

16. Which of the following is Jack's net pay for this week?

_____ A. $208.12
_____ B. $193.22
_____ C. $212.80
_____ D. $258.00

WEEKLY

Number of Exemptions

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
$00	$ 1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2	.04	0	0	0	0	0	0	0	0	0	0
2	5	.10	0	0	0	0	0	0	0	0	0	0
5	10	.20	0	0	0	0	0	0	0	0	0	0
10	15	.30	0	0	0	0	0	0	0	0	0	0
15	22	.44	.09	0	0	0	0	0	0	0	0	0
22	23	.46	.11	0	0	0	0	0	0	0	0	0
23	24	.48	.12	0	0	0	0	0	0	0	0	0
24	25	.50	.14	0	0	0	0	0	0	0	0	0
25	26	.52	.16	0	0	0	0	0	0	0	0	0
26	27	.54	.18	0	0	0	0	0	0	0	0	0
27	28	.56	.20	0	0	0	0	0	0	0	0	0
28	29	.58	.21	0	0	0	0	0	0	0	0	0
29	30	.60	.23	0	0	0	0	0	0	0	0	0
30	31	.62	.25	0	0	0	0	0	0	0	0	0
31	32	.64	.27	0	0	0	0	0	0	0	0	0
32	33	.66	.29	0	0	0	0	0	0	0	0	0
33	34	.68	.30	0	0	0	0	0	0	0	0	0
34	35	.70	.32	.01	0	0	0	0	0	0	0	0
35	36	.72	.34	.03	0	0	0	0	0	0	0	0
36	37	.74	.36	.05	0	0	0	0	0	0	0	0
37	38	.76	.38	.07	0	0	0	0	0	0	0	0
38	39	.79	.39	.09	0	0	0	0	0	0	0	0
39	40	.82	.41	.10	0	0	0	0	0	0	0	0
40	41	.85	.43	.12	0	0	0	0	0	0	0	0
41	42	.88	.45	.14	0	0	0	0	0	0	0	0
42	43	.91	.47	.16	0	0	0	0	0	0	0	0
43	44	.94	.48	.18	0	0	0	0	0	0	0	0
44	45	.97	.50	.19	0	0	0	0	0	0	0	0
45	46	1.00	.52	.21	0	0	0	0	0	0	0	0
46	47	1.03	.54	.23	0	0	0	0	0	0	0	0
47	48	1.06	.56	.25	0	0	0	0	0	0	0	0
48	49	1.09	.57	.27	0	0	0	0	0	0	0	0
49	50	1.12	.59	.28	0	0	0	0	0	0	0	0
50	51	1.15	.61	.30	0	0	0	0	0	0	0	0
51	52	1.18	.63	.32	.01	0	0	0	0	0	0	0
52	53	1.21	.65	.34	.03	0	0	0	0	0	0	0
53	54	1.24	.66	.36	.05	0	0	0	0	0	0	0
54	55	1.27	.68	.37	.07	0	0	0	0	0	0	0
55	56	1.30	.70	.39	.09	0	0	0	0	0	0	0
56	57	1.33	.72	.41	.10	0	0	0	0	0	0	0
57	58	1.36	.74	.43	.12	0	0	0	0	0	0	0
58	59	1.39	.75	.45	.14	0	0	0	0	0	0	0
59	60	1.42	.77	.46	.16	0	0	0	0	0	0	0
60	62	1.48	.83	.50	.19	0	0	0	0	0	0	0
62	64	1.54	.88	.54	.23	0	0	0	0	0	0	0
64	66	1.60	.94	.57	.27	0	0	0	0	0	0	0
66	68	1.66	.99	.61	.30	0	0	0	0	0	0	0
68	70	1.72	1.04	.64	.34	.03	0	0	0	0	0	0
70	72	1.78	1.10	.68	.37	.07	0	0	0	0	0	0
72	74	1.84	1.15	.72	.41	.10	0	0	0	0	0	0
74	76	1.90	1.21	.75	.45	.14	0	0	0	0	0	0
76	78	1.97	1.26	.80	.48	.17	0	0	0	0	0	0
78	80	2.05	1.31	.85	.52	.21	0	0	0	0	0	0
80	82	2.13	1.37	.91	.55	.25	0	0	0	0	0	0
82	84	2.21	1.42	.96	.59	.28	0	0	0	0	0	0
84	86	2.29	1.48	1.01	.63	.32	.01	0	0	0	0	0
86	88	2.37	1.53	1.07	.66	.35	.05	0	0	0	0	0
88	90	2.45	1.58	1.12	.70	.39	.08	0	0	0	0	0
90	92	2.53	1.64	1.18	.73	.43	.12	0	0	0	0	0
92	94	2.61	1.69	1.23	.77	.46	.15	0	0	0	0	0
94	96	2.69	1.75	1.28	.82	.50	.19	0	0	0	0	0
96	98	2.77	1.81	1.34	.88	.53	.23	0	0	0	0	0
98	100	2.85	1.87	1.39	.93	.57	.26	0	0	0	0	0
100	105	3.05	2.05	1.53	1.07	.66	.35	.04	0	0	0	0
105	110	3.25	2.25	1.66	1.20	.75	.44	.13	0	0	0	0
110	115	3.45	2.45	1.80	1.34	.87	.53	.22	0	0	0	0
115	120	3.69	2.65	1.93	1.47	1.01	.62	.31	.01	0	0	0
120	125	3.94	2.85	2.11	1.61	1.14	.71	.40	.10	0	0	0
125	130	4.19	3.05	2.29	1.74	1.28	.82	.49	.19	0	0	0
130	135	4.44	3.25	2.47	1.88	1.41	.95	.58	.28	0	0	0
135	140	4.69	3.45	2.65	2.04	1.55	1.09	.67	.37	.06	0	0
140	145	4.94	3.69	2.83	2.22	1.68	1.22	.76	.46	.15	0	0
145	150	5.19	3.94	3.01	2.40	1.82	1.36	.90	.55	.24	0	0
150	160	5.75	4.44	3.37	2.76	2.14	1.63	1.17	.73	.42	.11	0
160	170	6.35	4.94	3.80	3.12	2.50	1.90	1.44	.97	.60	.29	0
170	180	6.95	5.45	4.25	3.48	2.86	2.25	1.71	1.24	.78	.47	.16
180	190	7.55	6.05	4.70	3.93	3.22	2.61	1.99	1.51	1.05	.65	.34
190	200	8.23	6.65	5.19	4.42	3.65	3.00	2.38	1.81	1.35	.89	.54
200	210	8.93	7.25	5.75	4.92	4.15	3.40	2.78	2.17	1.65	1.19	.74
210	220	9.63	7.88	6.35	5.43	4.65	3.88	3.18	2.57	1.95	1.49	1.02
220	230	10.33	8.58	6.95	6.03	5.15	4.38	3.62	2.97	2.35	1.79	1.32
230	240	11.03	9.28	7.55	6.63	5.71	4.88	4.12	3.37	2.75	2.14	1.62
240	250	11.73	9.98	8.23	7.23	6.31	5.38	4.62	3.85	3.15	2.54	1.92
250	260	12.43	10.68	8.93	7.85	6.91	5.98	5.12	4.35	3.58	2.94	2.32
260	270	13.13	11.38	9.63	8.55	7.51	6.58	5.66	4.85	4.08	3.34	2.72
270	280	13.83	12.08	10.33	9.25	8.18	7.18	6.26	5.35	4.58	3.81	3.12
280	290	14.53	12.78	11.03	9.95	8.88	7.80	6.86	5.94	5.08	4.31	3.54
290	Over	Amount shown on line above plus seven percent (7%) of excess over $290.00.										

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid After September 1981 and Before July 1982)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld shall be—										
$135	$140	$17.80	$14.10	$10.50	$7.40	$4.70	$2.00	$0	$0	$0	$0	$0
140	145	18.70	15.10	11.40	8.20	5.40	2.70	0	0	0	0	0
145	150	19.70	16.00	12.40	9.00	6.10	3.40	.70	0	0	0	0
150	160	21.10	17.50	13.80	10.20	7.20	4.40	1.70	0	0	0	0
160	170	23.00	19.40	15.70	12.10	8.80	5.80	3.10	.40	0	0	0
170	180	24.90	21.30	17.60	14.00	10.40	7.30	4.50	1.80	0	0	0
180	190	27.00	23.20	19.50	15.90	12.20	8.90	5.90	3.20	.50	0	0
190	200	29.40	25.10	21.40	17.80	14.10	10.50	7.40	4.60	1.90	0	0
200	210	31.80	27.20	23.30	19.70	16.00	12.40	9.00	6.00	3.30	.60	0
210	220	34.20	29.60	25.20	21.60	17.90	14.30	10.60	7.50	4.70	2.00	0
220	230	36.60	32.00	27.40	23.50	19.80	16.20	12.50	9.10	6.10	3.40	.80
230	240	39.00	34.40	29.80	25.40	21.70	18.10	14.40	10.70	7.70	4.80	2.20
240	250	41.40	36.80	32.20	27.60	23.60	20.00	16.30	12.60	9.30	6.20	3.60
250	260	43.80	39.20	34.60	30.00	25.50	21.90	18.20	14.50	10.90	7.80	5.00
260	270	46.20	41.60	37.00	32.40	27.80	23.80	20.10	16.40	12.80	9.40	6.40
270	280	48.90	44.00	39.40	34.80	30.20	25.70	22.00	18.30	14.70	11.00	7.90
280	290	51.60	46.40	41.80	37.20	32.60	28.00	23.90	20.20	16.60	12.90	9.50
290	300	54.70	49.10	44.20	39.60	35.00	30.40	25.80	22.10	18.50	14.80	11.20
300	310	57.60	52.00	46.60	42.00	37.40	32.80	28.10	24.00	20.40	16.70	13.10
310	320	60.50	54.90	49.40	44.40	39.80	35.20	30.50	25.90	22.30	18.60	15.00
320	330	63.40	57.80	52.30	46.80	42.20	37.60	32.90	28.30	24.20	20.50	16.90
330	340	66.50	60.70	55.20	49.60	44.60	40.00	35.30	30.70	26.10	22.40	18.80
340	350	69.70	63.60	58.10	52.50	47.00	42.40	37.70	33.10	28.50	24.30	20.70
350	360	72.90	66.70	61.00	55.40	49.80	44.80	40.10	35.50	30.90	26.30	22.60
360	370	76.10	69.90	63.90	58.30	52.70	47.20	42.50	37.90	33.30	28.70	24.50
370	380	79.30	73.10	66.90	61.20	55.60	50.00	44.90	40.30	35.70	31.10	26.50
380	390	82.50	76.30	70.10	64.10	58.50	52.90	47.40	42.70	38.10	33.50	28.90
390	400	85.70	79.50	73.30	67.20	61.40	55.80	50.30	45.10	40.50	35.90	31.30
400	410	88.90	82.70	76.50	70.40	64.30	58.70	53.20	47.60	42.90	38.30	33.70
410	420	92.10	85.90	79.70	73.60	67.40	61.60	56.10	50.50	45.30	40.70	36.10
420	430	95.30	89.10	82.90	76.80	70.60	64.50	59.00	53.40	47.80	43.10	38.50
430	440	98.60	92.30	86.10	80.00	73.80	67.70	61.90	56.30	50.70	45.50	40.90
440	450	102.30	95.50	89.30	83.20	77.00	70.90	64.80	59.20	53.60	48.00	43.30
450	460	106.00	98.90	92.50	86.40	80.20	74.10	67.90	62.10	56.50	50.90	45.70
460	470	109.70	102.60	95.70	89.60	83.40	77.30	71.10	65.00	59.40	53.80	48.30
470	480	113.40	106.30	99.10	92.80	86.60	80.50	74.30	68.20	62.30	56.70	51.20
480	490	117.10	110.00	102.80	96.00	89.80	83.70	77.50	71.40	65.20	59.60	54.10
490	500	120.80	113.70	106.50	99.40	93.00	86.90	80.70	74.60	68.40	62.50	57.00
500	510	124.50	117.40	110.20	103.10	96.20	90.10	83.90	77.80	71.60	65.50	59.90
510	520	128.20	121.10	113.90	106.80	99.70	93.30	87.10	81.00	74.80	68.70	62.80
520	530	131.90	124.80	117.60	110.50	103.40	96.50	90.30	84.20	78.00	71.90	65.70
530	540	135.60	128.50	121.30	114.20	107.10	100.00	93.50	87.40	81.20	75.10	68.90
540	550	139.30	132.20	125.00	117.90	110.80	103.70	96.70	90.60	84.40	78.30	72.10
550	560	143.00	135.90	128.70	121.60	114.50	107.40	100.30	93.80	87.60	81.50	75.30
560	570	146.70	139.60	132.40	125.30	118.20	111.10	104.00	97.00	90.80	84.70	78.50
570	580	150.40	143.30	136.10	129.00	121.90	114.80	107.70	100.60	94.00	87.90	81.70
580	590	154.10	147.00	139.80	132.70	125.60	118.50	111.40	104.30	97.20	91.10	84.90
590	600	157.80	150.70	143.50	136.40	129.30	122.20	115.10	108.00	100.80	94.30	88.10
600	610	161.50	154.40	147.20	140.10	133.00	125.90	118.80	111.70	104.50	97.50	91.30
610	620	165.20	158.10	150.90	143.80	136.70	129.60	122.50	115.40	108.20	101.10	94.50
620	630	168.90	161.80	154.60	147.50	140.40	133.30	126.20	119.10	111.90	104.80	97.70
630	640	172.60	165.50	158.30	151.20	144.10	137.00	129.90	122.80	115.60	108.50	101.40
640	650	176.30	169.20	162.00	154.90	147.80	140.70	133.60	126.50	119.30	112.20	105.10
650	660	180.00	172.90	165.70	158.60	151.50	144.40	137.30	130.20	123.00	115.90	108.80
660	670	183.70	176.60	169.40	162.30	155.20	148.10	141.00	133.90	126.70	119.60	112.50
		37 percent of the excess over $670 plus—										
$670 and over		185.50	178.40	171.30	164.20	157.10	149.90	142.80	135.70	128.60	121.50	114.40

17. James Bradley and Stan Jones are both medical doctors, aged 38. Each man has two children under the age of ten. Mrs. Bradley worked as an office manager for several years, but stopped when her first child was born. Mrs. Jones, who married immediately after high school and never obtained further education, has never been employed. On the basis of this information alone, which of the following statements would you consider most true about the two families' long-term life insurance needs?

_____ A. The Bradleys would need more life insurance.
_____ B. The Jones would need more life insurance.
_____ C. The two families would need the same amount of life insurance.

18. Mr. Smith had a total of $245 in medical bills which were covered by his medical insurance policy. His policy has a deductible of $50 and a 20% co-insurance clause. Which of the following is the correct amount which Mr. Smith will be reimbursed by his insurance company?

_____ A. $156
_____ B. $146
_____ C. $ 89
_____ D. $ 39

19. Which of the following is the best example of a use of credit to expand production?

_____ A. Using low interest farm loans, South Carolina farmers planted larger tobacco crops.
_____ B. City council approves a loan to build a low-income housing project.
_____ C. Mr. Smith applies for a three-year car loan.

20. During an inflationary period, which of the following groups is most adversely affected?

_____ A. people in high income brackets
_____ B. people in middle income brackets
_____ C. people who live on fixed incomes
_____ D. people who are self-employed

21. All of the following are true of bankruptcy as a credit remedy <u>EXCEPT</u>:

_____ A. forces sale of all property owned by a debtor
_____ B. discharges all financial obligations of a debtor
_____ C. allows a debtor to start over with a clear credit record and has no effect on future use of credit
_____ D. likely to result in an inability to obtain credit for several years after proceedings

22. Which of the following statements is (are) correct concerning insurance agencies as a source of credit?

1. a good source of credit for consumers who have not established a credit rating
2. charge very high interest rates
3. in a sense, loans the consumer his own money

_____ A. 1 and 2, only
_____ B. 1 and 3, only
_____ C. 2 and 3, only
_____ D. 1, 2, and 3

23. Under which of the following types of credit contracts does title remain with the seller until full payment has been received?

1. chattel mortgage
2. conditional sales contract
3. bailment lease contract

_____ A. 1 and 2, only
_____ B. 1 and 3, only
_____ C. 2 and 3, only
_____ D. 1, 2, and 3

24. Hal wished to become a doctor so he began to make decisions about education after high school. He listed three schools he was interested in attending and carefully researched each one. Hal chose the one with the best pre-med program. When it was time to enroll, Hal found that he could not afford the tuition and related expenses. Which step in the decision-making process did Hal neglect?

_____ A. identify alternatives
_____ B. consider values involved
_____ C. consider resources needed
_____ D. consider consequences

Use the information in the story below to answer items 32 and 33.

Jack Smith, at age 22, bought an $8,000 life insurance policy for which he paid $100 a year. At age 65, he had an emergency need for cash so he cancelled his policy and received $4,660 from the insurance company.

25. Which of the following is the face value of Jack's policy?

_____ A. $8,000
_____ B. $ 100
_____ C. $4,660
_____ D. $4,300

26. We can tell from the paragraph that Jack's policy was NOT which of the following types:

_____ A. straight life
_____ B. whole life
_____ C. term life

Use the information below to answer question 27.

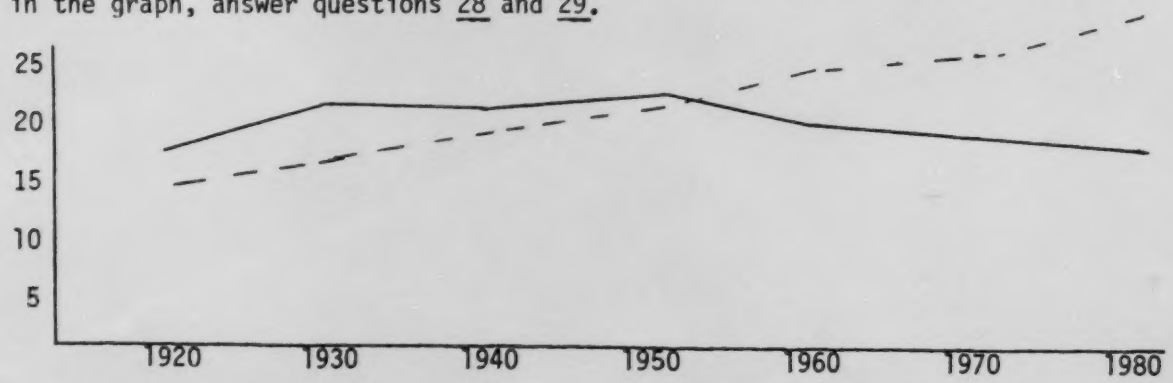
The Jones family has a yearly income of $10,000 after taxes and other payroll deductions. Below is a partial list of their monthly expenditures:

rent	$200	utilities	$50
food	$220	medical	$25
debt payment	$110	savings	$20

27. In planning a budget, which of the following lists expenses the Jones should consider fixed?

_____ A. rent, savings, food
_____ B. rent, debt payment, savings
_____ C. utilities, debt payment, medical
_____ D. utilities, medical, food

In the graph below, the broken line represents the demand for health care services and the solid line represents the availability of medical personnel and facilities in a hypothetical area. Considering ONLY the influence of the factors presented in the graph, answer questions 28 and 29.



28. If the trend established between the years 1960 and 1980 continues, what is your prediction about medical insurance rates in the year 2000?

_____ A. The rates will increase.
_____ B. The rates will decrease.
_____ C. The rates will not change.

29. In which year would you expect the cost of medical insurance to be highest?

_____ A. 1980
_____ B. 1920
_____ C. 1930
_____ D. 1950

Use the information in the story below to answer question 30.

Jake had been saving money to buy a speed boat.[1] However, before he saved enough his wife announced that she was expecting their first baby. Jake felt very strongly about parents' responsibility to educate their children.[2] Therefore, he decided not to buy the boat but to leave the money in the savings account as a "college fund."[3]

30. Which of the numbered sentences refers to a goal?

_____ A. 1, only
_____ B. 2, only
_____ C. 3, only
_____ D. both 1 and 2
_____ E. both 1 and 3

Using the information in the story below, answer question 31.

Each month, Mike deposits a set amount of money into two savings accounts. One is for a television set he intends to buy this month.[1] He has been saving for this a long time, because he wants a very expensive set---"the best money can buy."[2] The other account is an IRA which he has been contributing to in order to prepare for his retirement.[3] Although he has several insurance policies and an annuity fund, the IRA account is very important to him. He likes to have a sense of security[4] and does not want to worry about living like a pauper in his old age.[5]

31. In the story, which of the underlined phrases refer(s) to an immediate goal?

_____ A. phrase 1, only
_____ B. phrase 3, only
_____ C. both phrase 1 and phrase 3
_____ D. both phrase 1 and phrase 4
_____ E. none of the above

32. Paul Brown bought a tape recorder for $80. He paid $10 down payment and agreed to pay the balance in 5 equal monthly payments. His finance charge was $5. What annual percentage rate did Paul pay?

_____ A. 6%
_____ B. 7%
_____ C. 29%
_____ D. 34%

33. Mr. Jones bought a trailer for his boat which later proved to be defective. After several unsuccessful attempts to have the trailer repaired or replaced by the dealer, he filed a complaint with the Better Business Bureau. Which of the following consumer rights was Mr. Jones exercising?

_____ A. the right to be informed
_____ B. the right to redress
_____ C. the right to choose

34. End of season clothing sales is a good example of prices being affected by:

_____ A. supply and demand
_____ B. advertising campaigns
_____ C. availability of funds
_____ D. production decisions

35. Which of the following factors would be LEAST important in evaluating sources of consumer information about products?

_____ A. presence and quality of testing information
_____ B. degree to which information is presented in an interesting format
_____ C. qualifications of the person presenting the information
_____ D. degree to which the source of the information would be expected to be biased about the product

36. The major responsibility for protection against deceptive selling practices lies with:

_____ A. Better Business Bureaus
_____ B. Department of Consumer Affairs
_____ C. Individual consumers
_____ D. U.S. Justice Department

37. Under certain circumstances, some insurance offers what is known as a waiver of premiums. Which of the following synonyms for the word waiver comes closest to its meaning as it is used in this term?

_____ A. postponed
_____ B. deferred
_____ C. omitted

38. Which of the following types of information is NOT required on an application for a life insurance policy?

_____ A. marital status
_____ B. educational status
_____ C. person to receive benefits
_____ D. place of birth

39. Attitudes or opinions about right and wrong, or how one's life should be lead, are referred to as personal:

_____ A. goals
_____ B. standards
_____ C. values

40. Each of the following is a step in the process of value clarification EXCEPT:

_____ A. identifying alternatives
_____ B. identifying resources
_____ C. evaluating consequences
_____ D. choosing freely

41. The things an individual intends to accomplish are called personal:

_____ A. goals
_____ B. values
_____ C. standards

42. A strong concern for status is indicated MOST CLEARLY by which of the following spending patterns?

_____ A. spending which is primarily influenced by a carefully planned budget
_____ B. spending which is primarily influenced by a desire to appear wealthy or successful
_____ C. spending which is primarily influenced by custom or habit

43. Property which is promised to a lender in the event that a loan is not repaid is known as:

_____ A. collateral
_____ B. comaker
_____ C. chattel

44. A second party who agrees to take responsibility for a debt if the borrower fails to repay is known as the:

_____ A. securer
_____ B. cosigner
_____ C. endorser
_____ D. credit reference

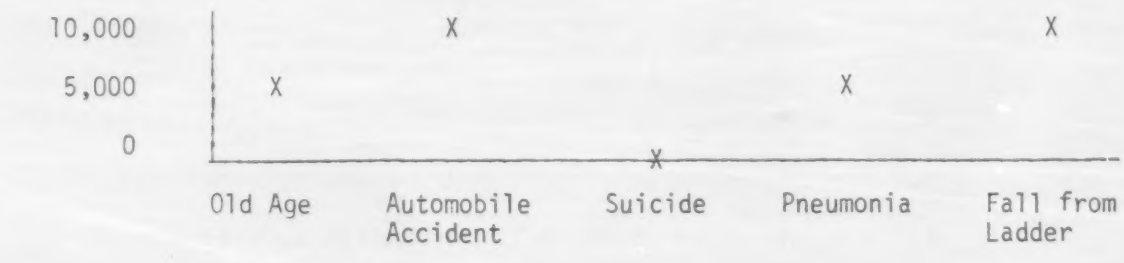
45. A person selected and named in a will to settle ones estate and properly distribute property is called a (an):

_____ A. administrator
_____ B. executor
_____ C. distributor
_____ D. proprietor

46. Which of the following best defines the term estate?

_____ A. the house, lot and any other real estate owned by a deceased person
_____ B. the real estate and monetary funds owned by a deceased person
_____ C. the sum total of all property, both real and personal, owned by a deceased person

The graph below illustrates the amount of benefits paid on a certain insurance policy for death of various causes. Use the information in the graph to answer questions 47 and 48.



47. The face value of the policy is represented by the amount of benefits paid in the event of death by which of the following causes?

_____ A. automobile accident
_____ B. suicide
_____ C. fall from ladder
_____ D. pneumonia

48. The insurance policy described above contained which of the following?

_____ A. a premium waiver and cash value
_____ B. a double indemnity clause and exclusions
_____ C. an incontestable clause only
_____ D. a premium waiver only

49. Which of the following services or facilities is NOT provided by taxes?

_____ A. security guards in department stores
_____ B. parks and recreational areas
_____ C. establishment and maintenance of libraries
_____ D. assistance for people seeking employment

50. Advertising techniques which attempt to excite consumers to buy a product by arousing positive feelings are known as:

_____ A. primary appeals
_____ B. emotional appeals
_____ C. selective appeals
_____ D. rational appeals

51. Which of the following statements describes an example of impulse spending?

_____ A. Jane bought a bottle of shampoo because she had just used the last of hers that morning.
_____ B. Dan bought a new sweater he had been saving for.
_____ C. While waiting in the check-out line Brenda decided to try a new brand of candy bar which was on display.

52. Which of the following terms is BEST defined as "a means of calling public attention to a product or service in order to increase sales"?

_____ A. label
_____ B. advertisement
_____ C. brochure
_____ D. pamphlet

53. Earnings from labor may come in each of the following forms EXCEPT:

_____ A. salaries
_____ B. interest
_____ C. fees
_____ D. tips

54. In the formula for the gross national product, GNP = C + I + G + F, the "F" stands for:

_____ A. foreign products sold
_____ B. gross foreign imports
_____ C. net foreign exports
_____ D. income for foreign investments

55. In general, the available supply of a product and the price of the product move:

_____ A. in opposite directions
_____ B. in the same direction
_____ C. horizontally
_____ D. vertically

56. Businesses in a market economy operate PRIMARILY to provide:

_____ A. jobs for individuals
_____ B. goods and services for consumers
_____ C. profits to owners
_____ D. stable economic activity

57. The right to use private property to earn income has which of the following effects in a market economy?

_____ A. encourages the establishment of monopolies
_____ B. keeps prices high by increasing profit motivation
_____ C. eliminates the necessity for governmental regulations
_____ D. provides the motivation to establish and operate businesses

58. Which of the following best describes the relationship between the effects of a depression and the effects of a recession on the general economy?

_____ A. The effects are the same, but a recession is more severe.
_____ B. The effects are the same, but a depression is more severe.
_____ C. The effects of a recession are the opposite of the effects of a depression.

59. A high level of unemployment affects the economy in each of the following ways EXCEPT:

_____ A. decreased production activity
_____ B. fewer dollars available for buying goods and services
_____ C. increased wages demanded by those who are employed
_____ D. increased drain on tax revenue
_____ E. decreased income available for taxation

60. The gross national product during a depression as compared to the gross national product during a period of prosperity would be expected to:

_____ A. decrease slightly during depression
_____ B. increase slightly during depression
_____ C. decrease sharply during depression
_____ D. increase sharply during depression

61. The economic process which results in the creation of goods and services is known as:

_____ A. allocation
_____ B. production
_____ C. supply
_____ D. consumption

62. Which of the following sentences BEST illustrates the meaning of the term economics?

_____ A. Economics worked more efficiently in the 1960's.
_____ B. If economics are practiced, more people are employed.
_____ C. His only economics are a small savings account and an insurance policy.
_____ D. Economics increases knowledge about how and why people buy goods.

63. As used in your study of consumer education, which of the following terms means the place where financial choices are made?

_____ A. economy
_____ B. economics
_____ C. consumer unit
_____ D. distribution location

64. In the circular flow of activity in the economy, which of the following is MOST true?

_____ A. Activity begins with consumers and ends with business.
_____ B. Activity begins with business and ends with consumers.
_____ C. Activity has no beginning or end point.

65. According to the principle of the circular flow of economic activity, what effect does increased consumer purchasing have on the unemployment level?

_____ A. The unemployment level increases.
_____ B. The unemployment level decreases.
_____ C. Consumer purchasing has no effect on the unemployment level.

66. Which of the following statements most completely and accurately describes the relationship between values, goals, standards, and consumer decisions?

_____ A. Values and standards influence immediate decisions, while goals influence long-range decisions.
_____ B. Goals influence immediate decisions while values and standards influence long-range decisions.
_____ C. Goals, values, and standards all influence both immediate and long-range decisions.

67. A person's total salary before withholdings are deducted is called:

_____ A. net pay
_____ B. gross pay
_____ C. total assets
_____ D. available income

68. Which of the following is the BEST synonym for the term net pay?

_____ A. available income
_____ B. take-home pay
_____ C. total assets

69. Which of the following expenses would be classified as a variable expense on a budget?

_____ A. rent
_____ B. car payment
_____ C. medical expenses
_____ D. club dues

70. In banking, a stop payment refers to:

_____ A. a notice by the bank that a check was not paid due to illegal endorsement
_____ B. a notice by the bank that a check cannot be paid because of insufficient funds
_____ C. a request by the account-holder that the bank not honor a check which has been lost or stolen
_____ D. a request by the account holder that a checking account be closed

71. A cashier's check is best defined as:

_____ A. a check of one bank drawn on its own deposits with some other bank
_____ B. a personal check for which payment has been guaranteed by the bank
_____ C. a check drawn against the bank's own funds on deposit

72. Transfer of funds is best defined as a transaction which allows certain account holders to telephone in requests to:

_____ A. move money from a savings account to a checking account
_____ B. move money from the account of one person to the account of another
_____ C. move money from an account in one bank to an account in another

73. A check is made out to Ann Smith and she wished to transfer it to Bobby Brown. In the box below write the endorsement which will ensure that only Bobby Brown can cash the check.

74. Which of the following is the best example of a way that the use of credit stabilizes the economy?

_____ A. prevents unusual decreases in business activity
_____ B. allows individuals to purchase luxuries without using cash
_____ C. allows for the manufacturing of greater quantity of goods

75. Which of the following is a form of credit characterized by the requirement of collateral?

_____ A. installment loans
_____ B. secured loans
_____ C. comaker loans

76. Which of the following types of financial institutions specializes in serving as administrators of estates?

_____ A. savings and loan associations
_____ B. industrial banks
_____ C. credit unions
_____ D. trust companies

77. The three C's of credit refer to which of the following?

_____ A. the consumer's reputation, the cost of lending, and the ability to repay
_____ B. the contractual terms, cost of lending, and credit source
_____ C. the consumer's reputation, earning ability, and net worth

78. The creditor's debt remedy which has the least bad effect on future credit rating is:

_____ A. bankruptcy
_____ B. garnishment
_____ C. statute of limitations
_____ D. arrangement

79. The influence of geographic region on earnings/income is due primarily to:

_____ A. supply and demand
_____ B. influence of local unions
_____ C. local minimum wage requirements

80. Mr. Smith was planning to buy a new car. Before making a choice, he went to the library and read several articles and reports about the performance, economy, and features of various models. By taking this action, Mr. Smith was fulfilling a consumer responsibility which is inherent to which of the following consumer rights?

_____ A. the right to be informed
_____ B. the right to be heard
_____ C. the right to redress

81. Of the following types of retail outlets, which would be expected to offer goods at the lowest prices?

_____ A. department stores
_____ B. specialty shops
_____ C. variety stores

82. A shopper would be most likely to receive customer services such as installation and repair at which of the following types of retail outlets?

_____ A. department stores
_____ B. variety stores
_____ C. discount stores

83. A person who is on a low sodium diet would rely most heavily on which of the following sources of consumer information?

_____ A. label information regarding grade
_____ B. label information regarding the degree of maturity of the food
_____ C. description of processing method
_____ D. nutritive information on the label

84. When figuring out the rates to charge for an insurance policy, the insurance company uses a method MOST like which of the following?

_____ A. a real estate agent deciding on the selling price of a house
_____ B. a savings and loan institution figuring out the interest rate to charge for home loans
_____ C. a poker player deciding whether to bet on his hand
_____ D. a car rental agency figuring out how much to charge per day for renting a car

85. In which type of medical insurance does coverage begin only when all benefits from other health plans have been used?

_____ A. major medical
_____ B. general medical
_____ C. hospitalization
_____ D. surgical expense coverage

86. Joe Brown, a 55 year old man, wished to obtain the face value of a matured life insurance policy and use the money to return to college. However, the insurance company refused to pay before Joe's death. Which type of insurance did Joe have?

_____ A. term life
_____ B. limited-payment life
_____ C. straight life

87. John Brown has a mortgage on his house which will be paid off in 5 years. He wants to buy insurance which will pay off the mortgage if he should die before then. Because he has a limited income, he wants the least costly insurance which will meet his need. Which of the following types of insurance should he buy?

_____ A. limited-payment life
_____ B. short-term endowment
_____ C. term life

88. Insurance companies usually allow policy holders to be approximately a month late with a payment without canceling the policy. This month is known as the:

_____ A. grace period
_____ B. policy rider
_____ C. policy risk
_____ D. exclusion period

89. Which of the following sentences best illustrates the meaning of the term <u>claim</u> as it is used in insurance?

_____ A. Mrs. Brown placed an insurance claim when her husband died.
_____ B. Because Mr. Brown died by suicide, the insurance company filed a contestability claim.
_____ C. Mrs. Brown placed a claim for the cash value of her insurance.

90. The term <u>policy holder</u> means which of the following?

_____ A. person who buys the insurance contract
_____ B. company which is liable for policy benefits
_____ C. agent who sells the insurance contract
_____ D. bank where policy premiums are deposited

91. When buying an insurance policy you name the person who should receive the money should you die. This person is known as the:

_____ A. insured
_____ B. rider
_____ C. beneficiary
_____ D. co-insured

92. In a vegetable cooperative, members pay a set fee and the funds are used to buy vegetables in bulk at lower prices. The vegetables obtained in this way are then divided among the members of the coop, who benefit by getting their vegetables at reduced costs. Which of the following is most like this vegetable coop plan?

_____ A. cooperative banks
_____ B. health maintenance organizations
_____ C. no-fault insurance plans
_____ D. the consumer marketing service

93. Mike Smith went into the No-Name bank to open a savings account for his new baby boy. He tripped on a piece of torn carpeting, breaking his eyeglasses and both hips and was out of work for 2 months. Which of the following types of insurance would be most likely to pay for damages in this case?

_____ A. Mike's ten-year term policy
_____ B. workmen's compensation
_____ C. the No-Name's liability insurance
_____ D. the No-Name's comprehensive physical damage insurance

94. Bill Jones, a carpenter for the Ace Carpentry Company, failed to pay attention to what he was doing while cutting some wood with a power saw. As a result, he severely cut his hand, had high medical expenses, and was out of work for several weeks. Which of the following types of insurance would be likely to pay benefits in this case?

_____ A. Bill's major medical
_____ B. workmen's compensation
_____ C. none, since the accident was Bill's fault
_____ D. both A and B

95. Which type of automobile insurance pays medical expenses resulting from accidental injury, regardless of who is at fault?

_____ A. injury liability
_____ B. physical damage insurance
_____ C. medical payments insurance
_____ D. uninsured motorists insurance

96. Which type of automobile insurance covers damage to your automobile as a result of a wreck, regardless of who is at fault?

_____ A. property damage liability
_____ B. comprehensive physical damage
_____ C. collision insurance
_____ D. uninsured motorists

97. All other factors being equal, you will pay the highest automobile insurance rates if you drive your car an average of:

_____ A. less than ten miles per day
_____ B. ten to twenty miles per day
_____ C. eighty miles per day
_____ D. the amount you drive does not affect premiums

98. Kathy is preparing a personal property inventory. In other words, what is she doing?

_____ A. listing items owned and the value of each item
_____ B. charting the amount of real estate she owns
_____ C. listing items of stock she needs to replace in her store

99. Which of the following is NOT provided by one or more of the major types of social insurance programs in the U.S.?

_____ A. cash benefits to eligible workers at retirement
_____ B. life insurance protection for eligible workers who die before age 65
_____ C. cash benefits to workers who become disabled
_____ D. cash benefits to workers whose homes are destroyed in natural disasters
_____ E. cash benefits to eligible low income families

100. Social insurance may provide benefits for each of the following EXCEPT:

_____ A. loss of income due to old age
_____ B. financial problems due to loss of property
_____ C. loss of income due to illness
_____ D. financial problems due to death

101. Which of the following is NOT a characteristic of a straight annuity?

_____ A. pays an income to the buyer for life
_____ B. payments for the annuity may be made in installments or in a lump sum
_____ C. when the buyer dies, the remainder of the benefits are paid to a beneficiary
_____ D. gives the largest lifetime income for the cost of any of the types of annuities

102. DIRECTIONS: Column A lists examples of ways in which income is earned. Column B lists the four sources of income. Match each source in column B with the appropriate example in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Mr. Jones owns a coal mine.	A. land
_____ 2.	Mr. Smith lends money to farmers to buy seed, fertilizer, equipment, etc.	B. labor C. capital D. transfer payments
_____ 3.	Mrs. Block rents a piece of property to a farmer.	
_____ 4.	Mrs. Brown grows vegetables to sell at the farmer's market on land she rents.	

103. DIRECTIONS: Column A lists examples of uses of credit. Column B lists 4 functions of credit. On the line to the left of each example write the letter of the appropriate function of credit from column B. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	The city of Catesville was unable to meet the payroll for its public service employees. Rather than firing the city workers, a loan was obtained to pay salaries until the financial situation improved.	A. stabilizes the economy B. promotes business formation C. expands production D. raises the level of living
_____ 2.	Jack Brown borrowed $15,000 from the bank. With the money, he opened a neighborhood grocery store.	
_____ 3.	James Smith owned a tremendous ranch. Because he had such a large area to cover in order to over-see the operation, he borrowed the money to buy a helicopter.	
_____ 4.	Jane Smith borrowed enough money to return to graduate school. After obtaining a master's degree, she was able to get a higher paying job.	

104. DIRECTIONS: Column A lists descriptions of various types of special checks or methods of making payment. For each description in column A, indicate the choice from column B to which it applies. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	A form stating that money is to be paid to the person named on the form, and which can be purchased at places other than banks	A. money orders B. traveler's checks C. cashier's checks D. certified checks E. bank draft
_____ 2.	A check of one bank drawn on its own deposits with some other bank	
_____ 3.	A personal check for which payment has been guaranteed by the bank	
_____ 4.	Checks bought in specific denominations which may be cashed anywhere in the world	
_____ 5.	Often used for paying small bills by people who do not have personal checking accounts	

105. DIRECTIONS: On the line to the left of each consumer choice in column A, write the letter of the factor from column B which is most likely to be influencing the consumer's spending.

Column A		Column B
_____ 1.	Mary paid far more than she could afford for a silk blouse because it would make her "appear so elegant."	A. peers B. status C. cost of living D. impulse buying
_____ 2.	Ann often spends well over her grocery budget on shopping trips. On checking her purchases she finds many small items which were not on her list.	
_____ 3.	The Smith family at one time had extra money for special treats. Now, although they budget carefully, their entire income seems to be needed for necessities.	
_____ 4.	The Jones family lives on a very limited food and clothes budget so they can live in "the finest neighborhood in town."	

106. DIRECTIONS: Column A gives examples which describe the maintenance of, or an attempt to maintain, one of the six national economic goals in the U.S. Column B lists the six national goals. Match each goal with a maintenance activity from column A. Choices from column B may be used once, more than once, or not at all.

	Column A	Column B
_____ 1.	Federal laws have been passed to insure competition and limit the establishment of monopolies.	A. economic freedom B. economic efficiency C. economic growth D. economic stability E. economic justice F. economic security
_____ 2.	In recent years, federal wage and price controls were imposed in an attempt to reduce inflation.	
_____ 3.	Public assistance programs of various forms are present to help low income groups.	
_____ 4.	In our economic system, it is generally true that the greater producers accrue the greater share of wealth.	
_____ 5.	In general, businesses and property in the U.S. are privately owned.	
_____ 6.	Over the years, the general level of living in the U.S. has steadily increased.	

107. DIRECTIONS: Column A gives examples of attempts to meet various human needs. Match each need in column B with an example of how people meet that need as described in column A. Choices from column B may be used once, more than once, or not at all.

	Column A	Column B
_____ 1.	When Jackie was on a hiking trip a terrible thunder storm came up suddenly. He had to crawl into a cave to wait for it to end.	A. self-actualization B. esteem C. love and belongingness D. security/safety E. physiological
_____ 2.	I do not feel that my best talents are used in my present job.	
_____ 3.	My mother has the greatest respect for doctors, so I am going to medical school.	
_____ 4.	When the temperature dropped to below zero on the camping trip, Joan was grateful for the down sleeping bag.	

108. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A	Column B
_____ 1. offers protection only for a a stated period of time	A. term insurance
_____ 2. pays a definite sum to survivors at policy holder's death, or to policy holder at a stated time if death has not occurred	B. limited-payment life
_____ 3. a basic insurance policy which provides protection over a long period of years	C. endowment insurance
_____ 4. has no cash or loan value	D. straight life
_____ 5. sometimes called ordinary life	E. combination life
	F. annuity contract

109. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A	Column B
_____ 1. a life insurance policy which restricts payment of premiums to a stated number of years	A. term insurance
_____ 2. best form of life insurance for the purpose of providing protection to dependents of policy holder	B. limited-payment life
_____ 3. provides a guaranteed monthly or yearly income beginning at a specific age	C. endowment insurance
_____ 4. provides maximum protection at lowest possible cost	D. straight life
_____ 5. effective way of providing income after retirement	E. combination life
	F. annuity contract

110. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a 40 year old worker who is fired from his job	A. social security old age insurance
_____ 2.	a young child, dependent of a man who became paralyzed at age 45	B. workmen's compensation
_____ 3.	a 65 year old retired worker	C. unemployment compensation
_____ 4.	a 30 year old who was severely injured in a job related accident	D. aid to needy dependent children
_____ 5.	a young child, dependent of a 65 year old retired worker	E. social security survivor's benefits
		F. social security disability insurance

111. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a hospitalized 67 year old woman	A. social security survivor's insurance
_____ 2.	a 20 year old college student whose father retired at age 65	B. medicare
_____ 3.	a hospitalized person from a low income family	C. medicaid
_____ 4.	a 50 year old miner with black lung disease	D. social security disability insurance
_____ 5.	a 68 year old man who requires periodic kidney dialysis	E. social security old age insurance
		F. workmen's compensation

112. DIRECTIONS: Column A lists major purposes of insurance. Column B lists major types of insurance policies. Match each purpose in column A with the appropriate policy type from column B. Choices from column B may be used once or more than once.

Column A		Column B
_____ 1.	provides income after retirement	A. life insurance
_____ 2.	protection against financial loss due to causing injury to another person	B. property insurance C. liability insurance D. medical insurance
_____ 3.	provides income to survivors of the insured	
_____ 4.	savings for future needs	
_____ 5.	protection against financial loss due to causing damage to the property of others	
_____ 6.	protection against financial loss due to damage to the contents of the home	
_____ 7.	replaces a portion of income lost due to illness	
_____ 8.	protection against financial loss due to theft of contents of an automobile	
_____ 9.	may be borrowed against to cover financial emergencies	

113. In the blank beside each example below write:
A - if the example describes a consumer good
B - if the example describes a capital good used in the production of a consumer good
C - if the example describes a capital good used in the production of a consumer service

_____ a law book, used by a lawyer to research a case
_____ a mystery book read by a student for pleasure
_____ a receipt book used in a restaurant by the chef
_____ a history book used by a student to study for an exam
_____ a mystery book used by an English professor to teach literature

114. In the blank beside each of the following items write:
A - if it is a characteristic of a command or directed economic system
B - if it is a characteristic of a traditional economy
C - if it is a characteristic of a market economy

_____ Basic economic decisions are made by governmental bodies.
_____ Economic decisions are heavily influenced by custom or habit.
_____ Decisions about what goods and services to produce are largely made in response to buyer's spending patterns.
_____ Very low level of industrialization
_____ Individuals have very little control over the allocation of resources.
_____ People have little desire to change their way of life.
_____ Individuals have greatest degree of freedom of choice in economic matters.
_____ Prices are largely controlled by desire to make a profit.

115. It has been said that all individuals play three major economic roles; consumer, worker, and citizen. For each statement below mark:
A - if the statement refers to an activity in the worker role
B - if the statement refers to an activity in the consumer role
C - if the statement refers to an activity in the citizen role

_____ A tailor sews the seam in a customer's suit.
_____ Jack Brown goes to the public library.
_____ Jamie Smith rents her land to a farmer.
_____ The farmer buys a new tractor.
_____ Mary used her electric stove.
_____ Cal Todd pays his property taxes.
_____ The psychologist conducts a marriage counseling session.
_____ Joann serves on jury duty.
_____ Alice receives her weekly paycheck.
_____ The salesman prepares a stock display.

116. In the following items you are to judge the effects of certain personal characteristics on the dollar amount paid yearly to purchase $5,000 worth of straight life insurance bought at age 45. For each item, write in the answer blank:
A - if the characteristic would tend to raise the dollar amount paid
B - if the characteristic would tend to lower the dollar amount paid
C - if the characteristic would tend to have no effect on the dollar amount paid

_____ The insurance is bought by a deep sea diver.
_____ The insurance is bought by a certified public accountant.
_____ The insurance is bought at age 30 instead of at age 45.
_____ The insurance is bought by a person with high blood pressure.
_____ The insurance is bought by a person with a bad cold.

CONSUMER EDUCATION

STUDENT NAME _____ TEACHER NAME _____

Directions

The test you are going to take asks questions about things which are often taught in consumer education courses. Because you may not have covered all of this material you are NOT expected to know all of the answers. However, it is very important that you read each question carefully and attempt to answer each one. If you do not know an answer, just take a guess and go on to the next one. Also, please do not skip around in the test booklet. Begin with question #1 and work through the rest of the test taking the questions in the order in which they appear.

The test has some matching exercises, some multiple choice items, and a few short answer items. You are to write your answers in the test booklet. For the matching exercises, you are to write the letter of the correct choice in the appropriate blanks. For the multiple choice items, write an "X" in the blank beside the response which BEST answers the question or completes the statement. For the short answer items, write your response in the space provided. Some of the items may require you to use some math to figure the answer. For these items, you may use any blank space in the margins of the test booklet for your calculations.

You will be given the entire class period to work on the test. If you do not finish, do not be concerned. Simply turn in your test booklet at the end of class, even if you have not answered all of the questions. If you finish before the time is up, please remain quiet so that those who are still working will not be disturbed.

Please write your name and your teacher's name on the test booklet before you begin working. Do not turn this page until your teacher tells you to begin.

1. Attitudes or opinions about right and wrong, or how one's life should be lead, are referred to as personal:

_____ A. goals
_____ B. standards
_____ C. values

2. Each of the following is a step in the process of value clarification EXCEPT:

_____ A. identifying alternatives
_____ B. identifying resources
_____ C. evaluating consequences
_____ D. choosing freely

3. The things an individual intends to accomplish are called personal:

_____ A. goals
_____ B. values
_____ C. standards

4. A strong concern for status is indicated MOST CLEARLY by which of the following spending patterns?

_____ A. spending which is primarily influenced by a carefully planned budget
_____ B. spending which is primarily influenced by a desire to appear wealthy or successful
_____ C. spending which is primarily influenced by custom or habit

5. Property which is promised to a lender in the event that a loan is not repaid is known as:

_____ A. collateral
_____ B. comaker
_____ C. chattel

6. A second party who agrees to take responsibility for a debt if the borrower fails to repay is known as the:

_____ A. securer
_____ B. cosigner
_____ C. endorser
_____ D. credit reference

7. Mr. Jones bought a trailer for his boat which later proved to be defective. After several unsuccessful attempts to have the trailer repaired or replaced by the dealer, he filed a complaint with the Better Business Bureau. Which of the following consumer rights was Mr. Jones exercising?

_____ A. the right to be informed
_____ B. the right to redress
_____ C. the right to choose

8. End of season clothing sales is a good example of prices being affected by:

_____ A. supply and demand
_____ B. advertising campaigns
_____ C. availability of funds
_____ D. production decisions

9. Which of the following factors would be LEAST important in evaluating sources of consumer information about products?

_____ A. presence and quality of testing information
_____ B. degree to which information is presented in an interesting format
_____ C. qualifications of the person presenting the information
_____ D. degree to which the source of the information would be expected to be biased about the product

10. The major responsibility for protection against deceptive selling practices lies with:

_____ A. Better Business Bureaus
_____ B. Department of Consumer Affairs
_____ C. Individual consumers
_____ D. U.S. Justice Department

11. Under certain circumstances, some insurance offers what is known as a waiver of premiums. Which of the following synonyms for the word waiver comes closest to its meaning as it is used in this term?

_____ A. postponed
_____ B. deferred
_____ C. omitted

12. Which of the following types of information is NOT required on an application for a life insurance policy?

_____ A. marital status
_____ B. educational status
_____ C. person to receive benefits
_____ D. place of birth

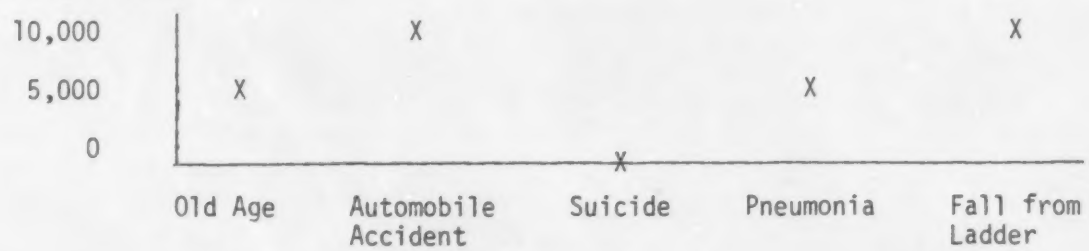
13. A person selected and named in a will to settle one's estate and properly distribute property is called a (an):

_____ A. administrator
_____ B. executor
_____ C. distributor
_____ D. proprietor

14. Which of the following best defines the term estate?

_____ A. the house, lot and any other real estate owned by a deceased person
_____ B. the real estate and monetary funds owned by a deceased person
_____ C. the sum total of all property, both real and personal, owned by a deceased person

The graph below illustrates the amount of benefits paid on a certain insurance policy for death of various causes. Use the information in the graph to answer questions 15 and 16.



15. The face value of the policy is represented by the amount of benefits paid in the event of death by which of the following causes?

_____ A. automobile accident
_____ B. suicide
_____ C. fall from ladder
_____ D. pneumonia

16. The insurance policy described above contained which of the following?

_____ A. a premium waiver and cash value
_____ B. a double indemnity clause and exclusions
_____ C. an incontestable clause only
_____ D. a premium waiver only

17. Which of the following is an advantage of consumer finance companies as a source of credit?

_____ A. charge lower interest rates than most other sources of credit
_____ B. accept credit applications from consumers who cannot obtain loans from most other sources
_____ C. are restricted from requiring collateral as a condition of credit

18. A period during which there is high unemployment, very little flow of money, and a sharp reduction in production is called a (an):

_____ A. inflation
_____ B. depression
_____ C. recession
_____ D. restriction

19. Which of the following services or facilities is NOT provided by taxes?

_____ A. national defense system
_____ B. maintenance of roads
_____ C. administration of churches
_____ D. retirement insurance

20. Private property is BEST defined as:

_____ A. only those material goods owned by an individual
_____ B. the house, lot, and other real estate owned by an individual
_____ C. any portion of an individual's income which is kept, regardless of its form

21. The degree of excellence required in objects or accomplishments is referred to as personal:

_____ A. goals
_____ B. values
_____ C. standards

22. In the formula for the gross national product, GNP = C + I + G + F, the "C" stands for:

_____ A. consumer expenditures
_____ B. consumer income
_____ C. capital goods produced
_____ D. capital goods sold

23. In the blank beside each of the following items write:
A - if it is a characteristic of a command or directed economic system
B - if it is a characteristic of a traditional economy
C - if it is a characteristic of a market economy

_____ Basic economic decisions are made by governmental bodies.
_____ Economic decisions are heavily influenced by custom or habit.
_____ Decisions about what goods and services to produce are largely made in response to buyer's spending patterns.
_____ Very low level of industrialization
_____ Individuals have very little control over the allocation of resources.
_____ People have little desire to change their way of life.
_____ Individuals have greatest degree of freedom of choice in economic matters.
_____ Prices are largely controlled by desire to make a profit.

24. It has been said that all individuals play three major economic roles; consumer, worker, and citizen. For each statement below mark:
A - if the statement refers to an activity in the worker role
B - if the statement refers to an activity in the consumer role
C - if the statement refers to an activity in the citizen role

_____ A tailor sews the seam in a customer's suit.
_____ Jack Brown goes to the public library.
_____ Jamie Smith rents her land to a farmer.
_____ The farmer buys a new tractor.
_____ Mary used her electric stove.
_____ Cal Todd pays his property taxes.
_____ The psychologist conducts a marriage counseling session.
_____ Joann serves on jury duty.
_____ Alice receives her weekly paycheck.
_____ The salesman prepares a stock display.

25. In the following items you are to judge the effects of certain personal characteristics on the dollar amount paid yearly to purchase $5,000 worth of straight life insurance bought at age 45. For each item, write in the answer blank:
A - if the characteristic would tend to raise the dollar amount paid
B - if the characteristic would tend to lower the dollar amount paid
C - if the characteristic would tend to have no effect on the dollar amount paid

_____ The insurance is bought by a deep sea diver.
_____ The insurance is bought by a certified public accountant.
_____ The insurance is bought at age 30 instead of at age 45.
_____ The insurance is bought by a person with high blood pressure.
_____ The insurance is bought by a person with a bad cold.

Use the information below to answer questions 26 through 27.

Mrs. Wells was hospitalized for 60 days with a serious illness which required an operation. Her medical expenses were:

Hospital room and board	$5,100
Other hospital charges	$3,884
Surgical expenses	$ 800
Physician's fees	$1,260

26. Mrs. Wells' hospitalization insurance pays up to $40 per day for room and board and covers up to $720 for other hospital charges. Her surgical expense coverage allows up to $600 for surgery expenses and her regular medical coverage allowed $420 for physician fees. She has no major medical insurance. How much did Mrs. Wells have to pay as a result of her illness?

_____ A. $6,904
_____ B. $9,264
_____ C. $4,140

27. Using the same information provided above, suppose that Mrs. Wells also had a major medical policy with a $50 deductible and a 20% co-insurance clause. How much would Mrs. Wells have to pay in this case?

_____ A. $1,842.80
_____ B. $1,370.80
_____ C. $ 929.00
_____ D. $ 818.00
_____ E. $ 778.00

Figure 1 on page 7 presents an example of an actual credit contract which is used in a local business. Answer questions 28 through 30 by referring to this contract.

28. Which of the following is true of this contract?

_____ A. requires insurance coverage
_____ B. allows prepayment with lower interest charges
_____ C. does NOT contain all information required under the Truth in Lending Laws

29. This contract is an example of which of the following types of credit agreements?

_____ A. promissory note
_____ B. revolving credit account
_____ C. secured installment contract
_____ D. secured non-installment contract

30. From the sample contract, identify each of the following:

$_____ the purchase cost of the goods bought under this agreement
$_____ the cost of credit in this example
$_____ the cost of credit in annual percentage rate
$_____ date payment is due each month

Figure 1

SELLER sells BUYER the CONSUMER GOODS described below (herinafter called the GOODS) retaining a purchase money security interest therein, upon the terms and the conditions set forth herein on the face and reverse of this the original Purchase Money Security Agreement.

QUAN	MFGR	NO	ARTICLES, (DESCRIPTION OF THE GOODS)	CODE	SELLING PRICE
1	Solar	955	Comp. Stereo w/stand	N88	319.95
1	Philco	C3543	Console TV Ser# 5705781	K79	869.00

BUYER agrees to pay to SELLER the TOTAL OF PAYMENTS (as shown in Item 11) in Seventeen (no. of payments) monthly payments consisting of 16 (number) payments of $ 72.00 (amount) and a final payment of $69.00 (amount); the first such payment shall be due on or before the Jan. 1, 1977 (day, month, year), and thereafter on the same day of each successive month until the amount of the TOTAL OF PAYMENTS has been paid in full; together with a delinquency charge of five (5%) per cent of each payment, or five dollars ($5.00), whichever is the lesser, if any payment is not paid in full within ten (10) days after the day on which any payment is due.

BUYER further agrees to pay SELLER the Pick-Up Payment prior to Dec. 1, 1976 (day, month, and year), which has been included as part of the Total Down Payment. No FINANCE CHARGE is ever imposed on the Pick-Up Payment.

Further, if suit be instituted upon BUYER'S default to enforce collection of any unpaid balance hereunder or to enforce any of the BUYER'S obligations hereunder BUYER agrees to pay all of the expenses which SELLER incurs, including, but not limited to, reasonable attorneys fees, reasonable costs or repossessing the goods herein described or referred to, bond costs and court costs.

If TOTAL OF PAYMENTS is paid in full by cash, refinancing, consolidation with subsequent purchase from SELLER, acceleration as herein provided, or otherwise, prior to the date when the last payment is due, BUYER shall receive a rebate of the unearned FINANCE CHARGE computed under the Rule of 78's.

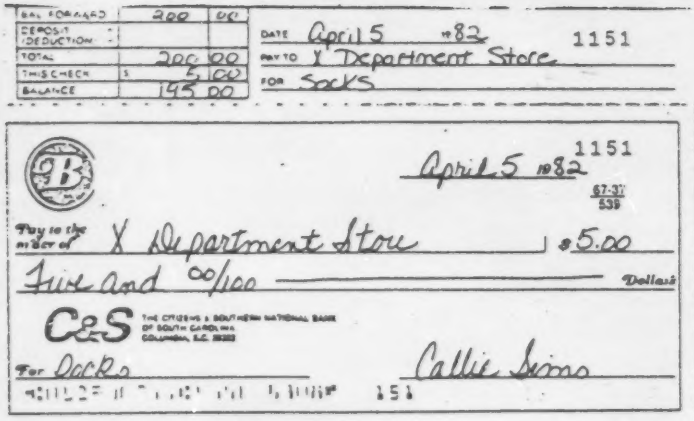
1. Price	$ 1188.95
2. Sales Tax	$ 47.56
3. Cash Price.	$ 1236.51
Less:	
(A) Cash Down Payment	$ 100.00
(B) Trade In	$ 100.00
(C) Pick-Up Payment	$ 32.51
4. Total Down Payment.	$ 231.51
5. Unpaid Balance of Cash Price	$ 1004.00
6. Other Charge, If Any	$
(A) (Descritpion of Charge)	
7. (A) Unpaid Balance or Prior Contract(s) (If Any)	
Being Refinanced . . (A)	$ 39.00
Less:	
(B) Unearned Finance Charge Computed Under Rule of 78's . . . . (B)	$ 39.00 (7A minus 7B)
8. Unpaid Balance - Amount Financed	$ 1043.00 (Sum of 5,6,7)
9. FINANCE CHARGE. . . . . (Computed Upon Items 5,6,7)	$ 178.00
10. Deferred Payment Price. . . .	$ 1453.51 (Sum of 3,6,7,9
11. Total of Payments	$ 1221.00 (Sum of 8and9)
12. ANNUAL PERCENTAGE RATE. . . .	21.75 %

The security interest of SELLER includes the goods previously sold BUYER(s) as described in Purchase Money Security Agreements Number(s)	000002	000775	001363	000140
	000190	000255	001791	

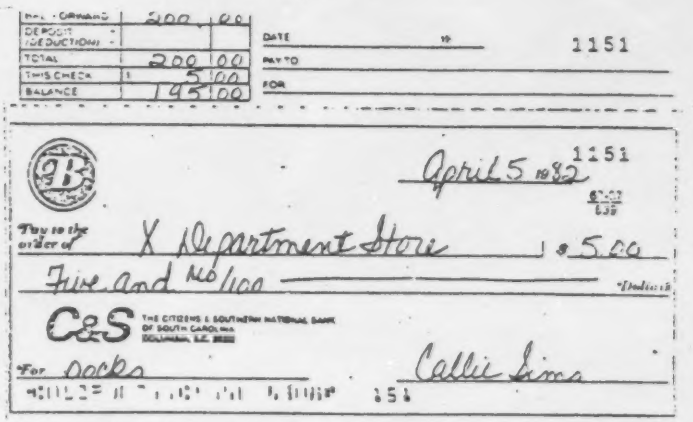
31. Below are four examples of top stub checks written to X Department Store for five dollars. Which of the samples illustrates a check which is correctly written and stubbed?

_____ A. example 1
_____ B. example 2
_____ C. example 3
_____ D. example 4

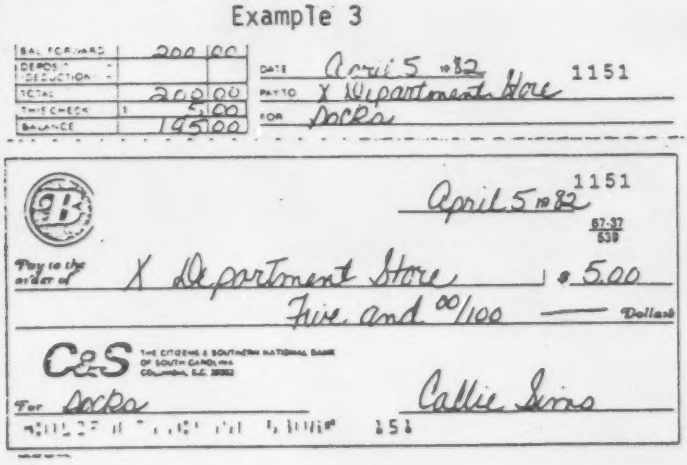
Example 1



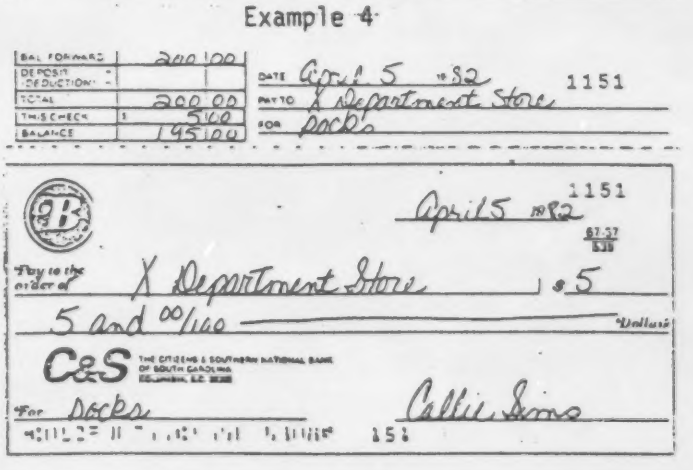
Example 2



Example 3



Example 4



32. Below is a sample checkbook register. Demonstrate the correct way to enter a check in a book register by entering the check written by Callie Sims in question number 31 on the blank space in the check register.

CHECK NO.	DATE	CHECK ISSUED TO	AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
			BALANCE BROUGHT FORWARD			257.00
1147	4/1	James Brown	10.00			247.00
1148	4/2	Southern Bell	21.50			225.50
1149	4/2	Gulf Oil	50.00			175.50
1150	4/5	SCE&G	65.50			110.00
	4/5	Deposit			90.00	200.00

Jack Cunningham is a resident of South Carolina and works at a job with a salary of $6 per hour, and time and a half for overtime (i.e. $9 per hour). He is single and claims only himself as an exemption on his income tax. The first week in May, Jack worked his usual 40 hours plus 2 hours of overtime. Use this information and, when necessary, the sample tax tables on pages 10-11 to answer questions 33 and 34. The tax table on page 10 is taken from the Federal Internal Revenue Service--Circular E. The tax table on page 11 is taken from the State of South Carolina Income Tax Withholding Tables.

33. Which of the following is Jack's gross pay for this week?

_____ A. $213.07
_____ B. $212.20
_____ C. $240.00
_____ D. $258.00

34. Which of the following is Jack's net pay for this week?

_____ A. $208.12
_____ B. $193.22
_____ C. $212.80
_____ D. $258.00

SINGLE Persons—WEEKLY Payroll Period

(For Wages Paid After September 1981 and Before July 1982)

And the wages are—		And the number of withholding allowances claimed is—										
At least	But less than	0	1	2	3	4	5	6	7	8	9	10
		The amount of income tax to be withheld shall be—										
$135	$140	$17.80	$14.10	$10.50	$7.40	$4.70	$2.00	$0	$0	$0	$0	$0
140	145	18.70	15.10	11.40	8.20	5.40	2.70	0	0	0	0	0
145	150	19.70	16.00	12.40	9.00	6.10	3.40	.70	0	0	0	0
150	160	21.10	17.50	13.80	10.20	7.20	4.40	1.70	0	0	0	0
160	170	23.00	19.40	15.70	12.10	8.80	5.80	3.10	.40	0	0	0
170	180	24.90	21.30	17.60	14.00	10.40	7.30	4.50	1.80	0	0	0
180	190	27.00	23.20	19.50	15.90	12.20	8.90	5.90	3.20	.50	0	0
190	200	29.40	25.10	21.40	17.80	14.10	10.50	7.40	4.60	1.90	0	0
200	210	31.80	27.20	23.30	19.70	16.00	12.40	9.00	6.00	3.30	.60	0
210	220	34.20	29.60	25.20	21.60	17.90	14.30	10.60	7.50	4.70	2.00	0
220	230	36.60	32.00	27.40	23.50	19.80	16.20	12.50	9.10	6.10	3.40	.80
230	240	39.00	34.40	29.80	25.40	21.70	18.10	14.40	10.70	7.70	4.80	2.20
240	250	41.40	36.80	32.20	27.60	23.60	20.00	16.30	12.60	9.30	6.20	3.60
250	260	43.80	39.20	34.60	30.00	25.50	21.90	18.20	14.50	10.90	7.80	5.00
260	270	46.20	41.60	37.00	32.40	27.80	23.80	20.10	16.40	12.80	9.40	6.40
270	280	48.90	44.00	39.40	34.80	30.20	25.70	22.00	18.30	14.70	11.00	7.90
280	290	51.80	46.40	41.80	37.20	32.60	28.00	23.90	20.20	16.60	12.90	9.50
290	300	54.70	49.10	44.20	39.60	35.00	30.40	25.80	22.10	18.50	14.80	11.20
300	310	57.60	52.00	46.60	42.00	37.40	32.80	28.10	24.00	20.40	16.70	13.10
310	320	60.50	54.90	49.40	44.40	39.80	35.20	30.50	25.90	22.30	18.60	15.00
320	330	63.40	57.80	52.30	46.80	42.20	37.60	32.90	28.30	24.20	20.50	16.90
330	340	66.50	60.70	55.20	49.60	44.60	40.00	35.30	30.70	26.10	22.40	18.80
340	350	69.70	63.60	58.10	52.50	47.00	42.40	37.70	33.10	28.50	24.30	20.70
350	360	72.90	66.70	61.00	55.40	49.80	44.80	40.10	35.50	30.90	26.30	22.60
360	370	76.10	69.90	63.90	58.30	52.70	47.20	42.50	37.90	33.30	28.70	24.50
370	380	79.30	73.10	66.90	61.20	55.60	50.00	44.90	40.30	35.70	31.10	26.50
380	390	82.50	76.30	70.10	64.10	58.50	52.90	47.40	42.70	38.10	33.50	28.90
390	400	85.70	79.50	73.30	67.20	61.40	55.80	50.30	45.10	40.50	35.90	31.30
400	410	88.90	82.70	76.50	70.40	64.30	58.70	53.20	47.60	42.90	38.30	33.70
410	420	92.10	85.90	79.70	73.60	67.40	61.60	56.10	50.50	45.30	40.70	36.10
420	430	95.30	89.10	82.90	76.80	70.60	64.50	59.00	53.40	47.80	43.10	38.50
430	440	98.60	92.30	86.10	80.00	73.80	67.70	61.90	56.30	50.70	45.50	40.90
440	450	102.30	95.50	89.30	83.20	77.00	70.90	64.80	59.20	53.60	48.00	43.30
450	460	106.00	98.90	92.50	86.40	80.20	74.10	67.90	62.10	56.50	50.90	45.70
460	470	109.70	102.60	95.70	89.60	83.40	77.30	71.10	65.00	59.40	53.80	48.30
470	480	113.40	106.30	99.10	92.80	86.60	80.50	74.30	68.20	62.30	56.70	51.20
480	490	117.10	110.00	102.80	96.00	89.80	83.70	77.50	71.40	65.20	59.60	54.10
490	500	120.80	113.70	106.50	99.40	93.00	86.90	80.70	74.60	68.40	62.50	57.00
500	510	124.50	117.40	110.20	103.10	96.20	90.10	83.90	77.80	71.60	65.50	59.90
510	520	128.20	121.10	113.90	106.80	99.70	93.30	87.10	81.00	74.80	68.70	62.80
520	530	131.90	124.80	117.60	110.50	103.40	96.50	90.30	84.20	78.00	71.90	65.70
530	540	135.60	128.50	121.30	114.20	107.10	100.00	93.50	87.40	81.20	75.10	68.90
540	550	139.30	132.20	125.00	117.90	110.80	103.70	96.70	90.60	84.40	78.30	72.10
550	560	143.00	135.90	128.70	121.60	114.50	107.40	100.30	93.80	87.60	81.50	75.30
560	570	146.70	139.60	132.40	125.30	118.20	111.10	104.00	97.00	90.80	84.70	78.50
570	580	150.40	143.30	136.10	129.00	121.90	114.80	107.70	100.60	94.00	87.90	81.70
580	590	154.10	147.00	139.80	132.70	125.60	118.50	111.40	104.30	97.20	91.10	84.90
590	600	157.80	150.70	143.50	136.40	129.30	122.20	115.10	108.00	100.80	94.30	88.10
600	610	161.50	154.40	147.20	140.10	133.00	125.90	118.80	111.70	104.50	97.50	91.30
610	620	165.20	158.10	150.90	143.80	136.70	129.60	122.50	115.40	108.20	101.10	94.50
620	630	168.90	161.80	154.60	147.50	140.40	133.30	126.20	119.10	111.90	104.80	97.70
630	640	172.60	165.50	158.30	151.20	144.10	137.00	129.90	122.80	115.60	108.50	101.40
640	650	176.30	169.20	162.00	154.90	147.80	140.70	133.60	126.50	119.30	112.20	105.10
650	660	180.00	172.90	165.70	158.60	151.50	144.40	137.30	130.20	123.00	115.90	108.80
660	670	183.70	176.60	169.40	162.30	155.20	148.10	141.00	133.90	126.70	119.60	112.50
		35 percent of the excess over $670 plus—										
$670 and over		185.50	178.40	171.30	164.20	157.10	149.90	142.80	135.70	128.60	121.50	114.40

WEEKLY

Number of Exemptions

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
$00	$ 1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
1	2	.04	0	0	0	0	0	0	0	0	0	0
2	5	.10	0	0	0	0	0	0	0	0	0	0
5	10	.20	0	0	0	0	0	0	0	0	0	0
10	15	.30	0	0	0	0	0	0	0	0	0	0
15	22	.44	.09	0	0	0	0	0	0	0	0	0
22	23	.46	.11	0	0	0	0	0	0	0	0	0
23	24	.48	.12	0	0	0	0	0	0	0	0	0
24	25	.50	.14	0	0	0	0	0	0	0	0	0
25	26	.52	.16	0	0	0	0	0	0	0	0	0
26	27	.54	.18	0	0	0	0	0	0	0	0	0
27	28	.56	.20	0	0	0	0	0	0	0	0	0
28	29	.58	.21	0	0	0	0	0	0	0	0	0
29	30	.60	.23	0	0	0	0	0	0	0	0	0
30	31	.62	.25	0	0	0	0	0	0	0	0	0
31	32	.64	.27	0	0	0	0	0	0	0	0	0
32	33	.66	.29	0	0	0	0	0	0	0	0	0
33	34	.68	.30	0	0	0	0	0	0	0	0	0
34	35	.70	.32	.01	0	0	0	0	0	0	0	0
35	36	.72	.34	.03	0	0	0	0	0	0	0	0
36	37	.74	.36	.05	0	0	0	0	0	0	0	0
37	38	.76	.38	.07	0	0	0	0	0	0	0	0
38	39	.79	.39	.09	0	0	0	0	0	0	0	0
39	40	.82	.41	.10	0	0	0	0	0	0	0	0
40	41	.85	.43	.12	0	0	0	0	0	0	0	0
41	42	.88	.45	.14	0	0	0	0	0	0	0	0
42	43	.91	.47	.16	0	0	0	0	0	0	0	0
43	44	.94	.48	.18	0	0	0	0	0	0	0	0
44	45	.97	.50	.19	0	0	0	0	0	0	0	0
45	46	1.00	.52	.21	0	0	0	0	0	0	0	0
46	47	1.03	.54	.23	0	0	0	0	0	0	0	0
47	48	1.06	.56	.25	0	0	0	0	0	0	0	0
48	49	1.09	.57	.27	0	0	0	0	0	0	0	0
49	50	1.12	.59	.28	0	0	0	0	0	0	0	0
50	51	1.15	.61	.30	0	0	0	0	0	0	0	0
51	52	1.18	.63	.32	.01	0	0	0	0	0	0	0
52	53	1.21	.65	.34	.03	0	0	0	0	0	0	0
53	54	1.24	.66	.36	.05	0	0	0	0	0	0	0
54	55	1.27	.68	.37	.07	0	0	0	0	0	0	0
55	56	1.30	.70	.39	.09	0	0	0	0	0	0	0
56	57	1.33	.72	.41	.10	0	0	0	0	0	0	0
57	58	1.36	.74	.43	.12	0	0	0	0	0	0	0
58	59	1.39	.75	.45	.14	0	0	0	0	0	0	0
59	60	1.42	.77	.46	.16	0	0	0	0	0	0	0
60	62	1.48	.83	.50	.19	0	0	0	0	0	0	0

At least	But less than	0	1	2	3	4	5	6	7	8	9	10
$62	$64	$1.54	$.88	$.54	$.23	$0	$0	$0	$0	$0	$0	$0
64	66	1.60	.94	.57	.27	0	0	0	0	0	0	0
66	68	1.66	.99	.61	.30	0	0	0	0	0	0	0
68	70	1.72	1.04	.64	.34	.03	0	0	0	0	0	0
70	72	1.78	1.10	.68	.37	.07	0	0	0	0	0	0
72	74	1.84	1.15	.72	.41	.10	0	0	0	0	0	0
74	76	1.90	1.21	.75	.45	.14	0	0	0	0	0	0
76	78	1.97	1.26	.80	.48	.17	0	0	0	0	0	0
78	80	2.05	1.31	.85	.52	.21	0	0	0	0	0	0
80	82	2.13	1.37	.91	.55	.25	0	0	0	0	0	0
82	84	2.21	1.42	.96	.59	.28	0	0	0	0	0	0
84	86	2.29	1.48	1.01	.63	.32	.01	0	0	0	0	0
86	88	2.37	1.53	1.07	.66	.35	.05	0	0	0	0	0
88	90	2.45	1.58	1.12	.70	.39	.08	0	0	0	0	0
90	92	2.53	1.64	1.18	.73	.43	.12	0	0	0	0	0
92	94	2.61	1.69	1.23	.77	.46	.15	0	0	0	0	0
94	96	2.69	1.75	1.28	.82	.50	.19	0	0	0	0	0
96	98	2.77	1.81	1.34	.88	.53	.23	0	0	0	0	0
98	100	2.85	1.87	1.39	.93	.57	.26	0	0	0	0	0
100	105	3.05	2.05	1.53	1.07	.66	.35	.04	0	0	0	0
105	110	3.25	2.25	1.66	1.20	.75	.44	.13	0	0	0	0
110	115	3.45	2.45	1.80	1.34	.87	.53	.22	0	0	0	0
115	120	3.69	2.65	1.93	1.47	1.01	.62	.31	.01	0	0	0
120	125	3.94	2.85	2.11	1.61	1.14	.71	.40	.10	0	0	0
125	130	4.19	3.05	2.29	1.74	1.28	.82	.49	.19	0	0	0
130	135	4.44	3.25	2.47	1.88	1.41	.95	.58	.28	0	0	0
135	140	4.69	3.45	2.65	2.04	1.55	1.09	.67	.37	.06	0	0
140	145	4.94	3.69	2.83	2.22	1.68	1.22	.76	.46	.15	0	0
145	150	5.19	3.94	3.01	2.40	1.82	1.36	.90	.55	.24	0	0
150	160	5.75	4.44	3.37	2.76	2.14	1.63	1.17	.73	.42	.11	0
160	170	6.35	4.94	3.80	3.12	2.50	1.90	1.44	.97	.60	.29	0
170	180	6.95	5.45	4.25	3.48	2.86	2.25	1.71	1.24	.78	.47	.16
180	190	7.55	6.05	4.70	3.93	3.22	2.61	1.99	1.51	1.05	.65	.34
190	200	8.23	6.65	5.19	4.42	3.65	3.00	2.38	1.81	1.35	.89	.54
200	210	8.93	7.25	5.75	4.92	4.15	3.40	2.78	2.17	1.65	1.19	.74
210	220	9.63	7.88	6.35	5.43	4.65	3.88	3.18	2.57	1.95	1.49	1.02
220	230	10.33	8.58	6.95	6.03	5.15	4.38	3.62	2.97	2.35	1.79	1.32
230	240	11.03	9.28	7.55	6.63	5.71	4.88	4.12	3.37	2.75	2.14	1.62
240	250	11.73	9.98	8.23	7.23	6.31	5.38	4.62	3.85	3.15	2.54	1.92
250	260	12.43	10.68	8.93	7.85	6.91	5.98	5.12	4.35	3.58	2.94	2.32
260	270	13.13	11.38	9.63	8.55	7.51	6.58	5.66	4.85	4.08	3.34	2.72
270	280	13.83	12.08	10.33	9.25	8.18	7.18	6.26	5.35	4.58	3.81	3.12
280	290	14.53	12.78	11.03	9.95	8.88	7.80	6.86	5.94	5.08	4.31	3.54
290	Over	Amount shown on line above plus seven percent (7%) of excess over $290.00.										

Figure 1 is a copy of the front page of a fictional bank statement sent to Mary Brown. Figure 2 is a copy of the back page of the statement and consists of a form to be used in reconciling the statement. Figure 3 is a copy of Mary's checkbook register. Mary has begun to reconcile her statement and has marked with an "X" each check and deposit which has cleared her account. You are to complete the reconciliation and answer question 35 on the basis of your results. You may use the form in figure 2 for your calculations, if you wish.

Figure 1

CHECKING ACCOUNT STATEMENT

THE CITIZENS & SOUTHERN NATIONAL BANK OF SOUTH CAROLINA

C&S BALANCING ACT

ACCOUNT NO.	STATEMENT DATE	PAGE NO.
XXXX-XX-XXXX	03 20 80	01

Mary Brown
000 My Street
My Town, South Carolina

MINIMUM BALANCE 49.23 ON 03/14/80

ITEMS ENCLOSED	BALANCE LAST STATEMENT	DEPOSITS NO.	DEPOSITS AMOUNT	CHECKS NO.	CHECKS AMOUNT	SERVICE CHARGE	BALANCE THIS STATEMENT
12	170 00	1	170 00	10	187 52	2 65	149 83

CHECKS AND OTHER DEBIT ITEMS

CHECK NUMBER	DATE PAID	AMOUNT	CHECK NUMBER	DATE PAID	AMOUNT
96	3 06	10 00	102	3 18	30 00
97	3 07	10 00	103	3 13	25 00
98	3 11	4 68	104	3 14	12 00
99	3 11	34 09	*106	3 20	22 00
100	3 20	14 75	SVC CHG		2 65SC
101	3 11	25 00			

DEPOSITS

DATE	AMOUNT
3 08	17000

CODES: CM Credit Memo; DM Debit Memo; EC Error Correction; IC Interest Credit; OD Overdraft; SC Service Charge

Figure 2

BOX A DEPOSITS NOT CREDITED		
TOTAL TO LINE ②	$	

BOX B CHECKS OUTSTANDING	
CHECK NUMBER	AMOUNT
TOTAL TO LINE ③	$

TO BALANCE YOUR CHECK BOOK WITH THIS STATEMENT FOLLOW THESE EASY STEPS:

- List and total in BOX A all deposits outstanding as of statement date.
- Use asterisks to locate outstanding checks. List and total these checks in BOX B.
- Subtract from your check book balance all service charges or other bank charges listed on this statement.

① ENTER CURRENT BALANCE From other side of statement		$
② ADD TOTAL OF BOX A	+	$
TOTAL OF ① AND ②		$
③ SUBTRACT TOTAL OF BOX B	−	$
BALANCED TOTAL		$

CHECK BOOK TOTAL SHOULD AGREE - IF DIFFERENT:

- Make certain all bank charges have been subtracted from your check book balance.
- Compare checks and deposit amounts in your check book with those shown on this statement.
- Double check all additions and subtractions.

Figure 3

CHECK NO.	DATE	CHECK ISSUED TO		AMOUNT OF CHECK	DATE OF DEP.	AMOUNT OF DEPOSIT	BALANCE
				BALANCE BROUGHT FORWARD			170 60
96	3/4	Bank Card Center	X	10 00			160 60
97	3/4	City of my town	X	10 00			150 60
98	3/4	Time	X	14 75			135 85
99	3/7	My town grocery	X	34 09			101 76
	3/7	Deposit	X			170 00	271 76
100	3/8	Postmaster	X	4 68			266 48
101	3/10	Cash	X	25 00			241 48
102	3/13	SCE&G	X	30 00			211 48
103	3/13	Southern Bell	X	25 00			186 48
104	3/19	James Brown	X	12 00			174 48
105	3/19	My town grocery		15 00			159 48
106	3/19	My town bookstore	X	22 00			137 48
	3/21	Deposit				200 00	337 48
107	3/21	Molly Smith		25 00			312 48

35. Which of the following is true of Mary's check register?

_____ A. Mary's balance is correct as it is.
_____ B. Mary should enter an adjusted balance of $149.83 in her register.
_____ C. Mary should enter an adjusted balance of $309.83 in her register.
_____ D. There is an addition or subtraction error in Mary's register.

36. Aggregate economic analysis refers to a study of:

_____ A. the relationships among those parts of the total economy which relate to foreign trade
_____ B. the economic balance between governmental assets and liabilities
_____ C. the current balance between economic resource allocation and distribution
_____ D. the relationships existing between all major parts of the total economy

37. Which of the following statements is (are) true of attachment as a credit remedy?

1. requested by a creditor
2. requested by a debtor
3. places property owned by a debtor under court control until a debt is repaid
4. may result in forced sale of property to repay debt
5. discharges all financial obligations of a debtor

_____ A. 1 and 5, only
_____ B. 2 and 3, only
_____ C. 2 and 5, only
_____ D. 1, 3, and 4

38. From the following list of characteristics, choose those which are true of credit unions as a source of credit.

1. good sources of low interest loans
2. are restricted from requiring collateral as a condition of credit
3. have a membership requirement which restricts the availability of credit

_____ A. 1 and 2, only
_____ B. 2 and 3, only
_____ C. 1 and 3, only
_____ D. 1, 2, and 3

39. A check is made out to Jack Blake. In the box below, write the endorsement which will ensure that the check can only be paid for deposit to Jack's account.

40. People buy some goods that they want and some that they need. Which of the following is the best snyonym for the word "need" as it is used in this sentence?

_____ A. require
_____ B. crave
_____ C. prefer
_____ D. admire

41. In the formula for the gross national product, GNP = C + I + G + F, the "I" stands for:

_____ A. interest paid on investments
_____ B. total income generated
_____ C. expenditures for business investments
_____ D. international trade goods produced

42. Which of the following factors is NOT a reason for increased cost of medical insurance in recent years?

_____ A. the rise in the general cost of living
_____ B. an oversupply of doctors and other medical personnel
_____ C. medical advances which have resulted in effective but expensive procedures
_____ D. a greater percentage of elderly people in the general population

43. Which of the following words is closest to the meaning of the term endorsement as it is used in insurance?

_____ A. deduction
_____ B. approval
_____ C. extra
_____ D. recommendation

44. Which of the following is NOT a characteristic of a refund annuity?

_____ A. pays an income, beginning at a specified age
_____ B. payments stop when the buyer of the annuity dies
_____ C. pays a smaller income for the cost than some other types of annuities

45. Eligibility for most social insurance benefits is dependent upon which of the following?

_____ A. length of time employed, only
_____ B. type of employment, only
_____ C. length of time employed and type of employment

46. Which of the following is NOT an example of an instance which might make a person or his family eligible for social security benefits?

_____ A. an insured worker dies before the age of 65
_____ B. an insured worker becomes permanently disabled and must stop work
_____ C. a 67 year old man requires extensive medical care
_____ D. a 50 year old man quits his job

47. Which of the following is NOT one of the major types of social insurance in the U.S.?

_____ A. old age insurance
_____ B. workmen's compensation
_____ C. employment security
_____ D. public assistance
_____ E. unemployment insurance

48. The important use(s) of a personal property inventory is (are) best expressed by which of the below?

_____ A. as a memory aid when filing a claim
_____ B. as an aid in determining amount of property insurance needed
_____ C. as evidence to support claims of loss
_____ D. A and C
_____ E. A, B, and C

49. All other factors being equal, you will pay the highest automobile insurance premiums if you live:

_____ A. in the inner city
_____ B. in the suburbs
_____ C. on a farm
_____ D. the place you live does not affect premiums

50. Which of the following statements about automobile insurance rates is true?

_____ A. Married people pay lower rates because they are more likely to pay premiums on time.
_____ B. Married people pay low rates because they tend to have fewer accidents.
_____ C. A person's marital status does not generally affect the cost of automobile insurance.
_____ D. A person's marital status affects the cost of insurance only in states which have assigned risk laws.

51. Which of the following is NOT a factor which affects the premium cost of automobile insurance?

_____ A. the type of geographical area in which you live
_____ B. the financial responsibility laws in your state
_____ C. the kind of car you drive
_____ D. the amount of coverage in your policy

52. Which type of automobile insurance pays benefits when another person has medical expenses in an accident which is your fault?

_____ A. medical payments insurance, only
_____ B. injury liability insurance, only
_____ C. injury liability insurance and medical payments insurance
_____ D. collision insurance and injury liability insurance

53. Which of the following types of information is NOT required on an application for life insurance?

_____ A. other policies owned
_____ B. occupation(s)
_____ C. plans to change occupation
_____ D. age

54. Which of the following is NOT one of the factors which affects the cost of life insurance policies?

_____ A. the type of policy
_____ B. the age of the person buying the policy
_____ C. the number of settlement options
_____ D. the degree of risk to the insurance company

55. Money which can be obtained by cancelling a partially paid insurance policy is known as the:

_____ A. policy exclusion
_____ B. face value
_____ C. cash value
_____ D. policy rider

56. Which of the following is closest to the meaning of the term risk, as it is used in insurance?

_____ A. luck
_____ B. hazard
_____ C. speculation
_____ D. fortune

57. Clauses in insurance policies which list conditions limiting the circumstances under which the company will pay are called the:

_____ A. declarations
_____ B. contestabilities
_____ C. riders
_____ D. contingencies

58. A contract between an individual and an insurance company is known as a (an):

_____ A. declaration
_____ B. claim
_____ C. endorsement
_____ D. policy

59. Which of the following descriptions is true of term-life insurance?

_____ A. value of policy may be paid before the policy holder's death; has cash or loan value
_____ B. value of policy paid only at policy holder's death; has cash or loan value
_____ C. value of policy paid only at policy holder's death; does not have cash or loan value

60. Joe Smith wished to buy an insurance policy, but he does not want to have to make payments after he retires from his job. Which of the following policies should he NOT buy?

_____ A. term life
_____ B. short-term endowment
_____ C. limited payment life
_____ D. straight life

61. For a two week hospital stay, which of the following would NOT be covered by hospitalization insurance?

_____ A. all or part of hospital room fee
_____ B. costs for medicines
_____ C. costs for doctor's visits
_____ D. costs for regular nursing care

62. Which of the following sources of information would you expect to be LEAST useful for comparison shopping purposes?

_____ A. manufacturer's emotional appeal advertisements
_____ B. government printing office publications
_____ C. consumer reports and articles
_____ D. manufacturer's rational appeal advertisements

63. Which of the following types of retail outlets would be least likely to offer return of merchandise privileges?

_____ A. department stores
_____ B. mail-order houses
_____ C. specialty shops
_____ D. discount stores

64. Mrs. Jones enjoys shopping in places where she is known by the sales staff and receives a lot of personal attention. In which of the following types of retail outlets would she be most likely to shop?

_____ A. department stores
_____ B. specialty shops
_____ C. variety stores

65. Before a new medicine can be used in the U.S., it must go through extensive testing and be approved by the Federal Food and Drug Administration. Which of the following consumer rights does this requirement protect?

_____ A. the right to redress
_____ B. the right to choose
_____ C. the right to safety

66. Of the following, which factor has MOST CLEARLY been shown to be related to earning potential?

_____ A. geographic region
_____ B. level of education
_____ C. personal drive

67. Which of the following terms is BEST defined as "The percentage of the amount borrowed which is charged for the use of money"?

_____ A. finance charge
_____ B. interest rate
_____ C. interest

68. A bad debt remedy which requires employers to withhold a certain amount of an employee's wages to apply toward repayment is known as:

_____ A. garnishment
_____ B. attachment
_____ C. bankruptcy
_____ D. statute of limitations

69. Which of the following financial institutions makes the majority of its loans in the form of home mortgages?

_____ A. commercial banks
_____ B. savings and loan associations
_____ C. credit unions
_____ D. industrial banks

70. There are four basic forms of credit. These forms are classified into types according to:

_____ A. method of repayment and source of credit
_____ B. source of credit and requirement of collateral
_____ C. method of payment and requirement of collateral

71. Which of the following is the best example of a use of credit which raises the level of living?

_____ A. Columbia uses credit to build a new public transportation system.
_____ B. Mrs. Jones borrows the money for her son's braces.
_____ C. The stationery store owner used credit to replace his stock.

72. In banking terms, the person who is to receive payment of an amount specified on a check is known as the:

_____ A. payor
_____ B. payee
_____ C. drawee
_____ D. receiver

73. Which of the following is NOT one of the three steps in opening a checking account?

_____ A. verify signature
_____ B. provide credit references
_____ C. fill out a deposit slip for original deposit
_____ D. receive blank checks and stubs

74. In planning a budget, which of the following should NOT be included in the income estimate?

_____ A. Christmas bonuses
_____ B. interest on savings accounts
_____ C. gross wages
_____ D. net wages
_____ E. money that is borrowed

75. Which of the following best describes the meaning of the term cost of living?

_____ A. a figure calculated by individuals to indicate total yearly spending
_____ B. a figure calculated by individuals to indicate the portion of yearly costs which go for the necessities of life
_____ C. an indication of total yearly consumer spending
_____ D. an indication of average prices based on commonly used consumer items

76. Which of the following best defines the term peers?

_____ A. all members of one's immediate and extended family
_____ B. the entire group of people one has contact with in daily life
_____ C. a social group made up of people one's own age

77. People who primarily make a living by receiving money in return for performing a job have which of the following sources of income?

_____ A. capital
_____ B. transfer payments
_____ C. labor

78. In the formula for the gross national product, GNP = C + I + G + F, the "G" stands for:

_____ A. governmental income
_____ B. governmental expenditures
_____ C. gross goods and services produced
_____ D. gross investment expenses

79. The element of a market economy which most directly controls the quality, kind, and prices of goods and services produced is:

_____ A. circular flow of money
_____ B. right to own property
_____ C. competition

80. Depression affects the economy in each of the following ways EXCEPT:

_____ A. increased unemployment
_____ B. decreased unemployment
_____ C. decreased demand for goods and services
_____ D. increased level of poverty
_____ E. decreased business activity

81. A high level of poverty affects the economy in each of the following ways EXCEPT:

_____ A. decreased national level of living
_____ B. increased drain on tax revenue
_____ C. decreased income available for taxation
_____ D. increased prices as business attempts to make a profit with fewer customers

82. Which of the following best describes economic conditions during a recession?

_____ A. business activity increases while the level of unemployment also increases
_____ B. business activity and the level of unemployment both decrease
_____ C. business activity decreases and the level of unemployment increases

83. In economics, the use of goods and services to satisfy personal wants or in the production of other goods is called:

_____ A. production
_____ B. distribution
_____ C. consumption
_____ D. allocation

84. In the economic system, the creation of goods and services for sale is known as:

_____ A. production
_____ B. distribution
_____ C. allocation
_____ D. consumption

85. In which of the following sentences is the term economy used correctly?

_____ A. The process of economy is heavily affected by the level of unemployment.
_____ B. In that economy, a scarcity of food exists.
_____ C. Consumers economy as much as possible when funds are short.

86. A capital good is best defined as:

_____ A. an object or thing used to satisfy personal needs or wants
_____ B. a thing or service used to satisfy personal needs or wants
_____ C. an object or thing used to produce items or services for sale
_____ D. a thing or service used to produce items or services for sale

87. In economics the relationship between the availability and the degree of consumer desire for a product or service is explained by a principle known as:

_____ A. profit and loss
_____ B. supply and demand
_____ C. freedom of choice
_____ D. economic security

88. According to the principle of the circular flow of economic activity, what effect does increased consumer purchasing have on consumer income?

_____ A. Consumer income increases.
_____ B. Consumer income decreases.
_____ C. Consumer purchasing has no effect on consumer income.

89. The portion of a person's pay which is available after the employer has withheld deductions for taxes and other purposes is called:

_____ A. net pay
_____ B. gross pay
_____ C. income
_____ D. total assets

90. Mrs. Smith went into a local department store to buy a washing machine which had been advertised on sale for $150. When she arrived, the salesman told her that they were sold out of that item and attempted to sell her a more deluxe model which was also on sale but for $75 more. This is an example of what advertising technique?

_____ A. fictitious pricing
_____ B. misrepresentation
_____ C. bait and switch
_____ D. unordered products

Use the information below to answer question 91.

The Jones family has a yearly income of $10,000 after taxes and other payroll deductions. Below is a partial list of their monthly expenditures.

rent	$200	utilities	$50
food	$220	medical	$25
debt payment	$110	savings	$20

91. Which of the following lists expenses the Jones should consider variable?

_____ A. rent, savings, food
_____ B. rent, debt payment, savings
_____ C. utilities, debt payment, medical
_____ D. utilities, medical, food

Use the information in the story below to answer item 92.

Jack Smith, at age 22, bought an $8,000 life insurance policy for which he paid $100 a year. At age 65, he had an emergency need for cash so he cancelled his policy and received $4,660 from the insurance company.

92. Which of the following is the cash value of Jack's policy?

_____ A. $8,000
_____ B. $ 100
_____ C. $4,660
_____ D. $4,300

Use the information in the story below to answer question 93.

Jake had been saving money to buy a speed boat.[1] However, before he saved enough his wife announced that she was expecting their first baby. Jake felt very strongly about parents' responsibility to educate their children.[2] Therefore, he decided not to buy the boat but leave the money in the savings account as a "college fund."[3]

93. Which of the numbered sentences refers to a value?

_____ A. 1, only
_____ B. 2, only
_____ C. 3, only
_____ D. both 1 and 2
_____ E. both 1 and 3

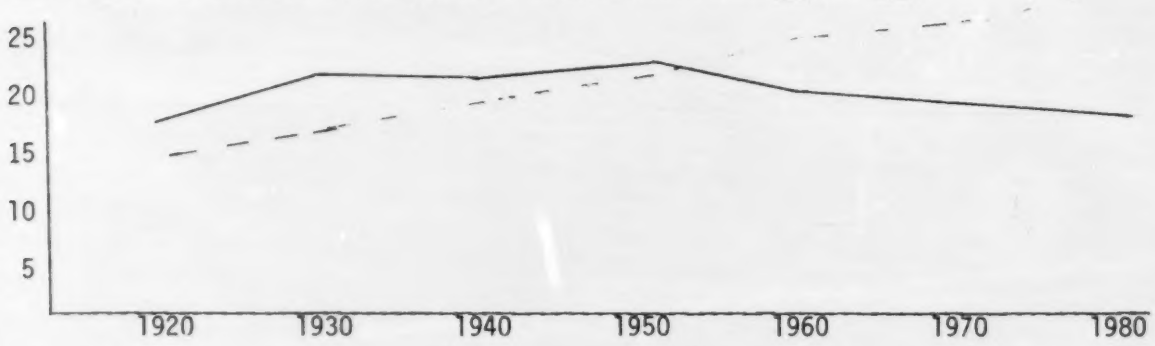
Use the information in the story below to answer question 94.

Each month, Mike deposits a set amount of money into two savings accounts. One is for a television set he intends to buy this month.[1] He has been saving for this a long time, because he wants a very expensive set--"the best money can buy."[2] The other account is an IRA which he has been contributing to in order to prepare for his retirement.[3] Although he has several insurance policies and an annuity fund, the IRA account is very important to him. He likes to have a sense of security[4] and does not want to worry about living like a pauper in his old age.[5]

94. In the story, which of the underlined phrases refer to Mike's standards?

_____ A. phrase 2, only
_____ B. phrase 4, only
_____ C. both phrase 2 and phrase 4
_____ D. both phrase 2 and phrase 5
_____ E. none of the above

In the graph below, the broken line represents the demand for health care services and the solid line represents the availability of medical personnel and facilities in a hypothetical area. Considering ONLY the influence of the factors presented in the graph, answer questions 95 and 96.



95. What would you expect to have occurred in the area of medical insurance rates between the years 1930 and 1940?

_____ A. The rates probably increased.
_____ B. The rates probably decreased.
_____ C. There was probably no change.

96. In which year would you expect the cost of medical insurance to be lowest?

_____ A. 1980
_____ B. 1920
_____ C. 1930
_____ D. 1950

Bob White wished to buy a $700 refrigerator. He had $100 but needed to finance the remainder of the cost. He found that he could obtain a single-payment loan from his credit union, an installment loan from his bank, or buy the refrigerator on the installment plan offered by the store. Information about the three loans is presented below:

	Credit Union	Commercial Bank	Store
Amt. of loan:	$600	$600	$600
Method of repayment:	$600 plus interest at end of 6 months	equal monthly payments	equal monthly payments
Term of Loan:	6 months	6 months	4 months
Finance Charge:	$18	$16.50	$25
APR:	6%	9.4%	20%

97. Which of the three loans offers the most economical method of buying the refrigerator?

_____ A. the credit union loan, because it has the lowest annual percentage rate
_____ B. the store installment plan, because the term of the loan is shortest
_____ C. the bank loan, because the deferred payment price is lowest

98. DIRECTIONS: Column A lists examples of ways in which income is earned. Column B lists the four sources of income. Match each source in column B with the appropriate example in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Mr. Jones owns a coal mine.	A. land
_____ 2.	Mr. Smith lends money to farmers to buy seed, fertilizer, equipment, etc.	B. labor C. capital D. transfer payments
_____ 3.	Mrs. Block rents a piece of property to a farmer.	
_____ 4.	Mrs. Brown grows vegetables to sell at the farmer's market on land she rents.	

99. DIRECTIONS: Column A lists examples of uses of credit. Column B lists 4 functions of credit. On the line to the left of each example write the letter of the appropriate function of credit from column B. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	The city of Catesville was unable to meet the payroll for its public service employees. Rather than firing the city workers, a loan was obtained to pay salaries until the financial situation improved.	A. stabilizes the economy B. promotes business formation C. expands production D. raises the level of living
_____ 2.	Jack Brown borrowed $15,000 from the bank. With the money, he opened a neighborhood grocery store.	
_____ 3.	James Smith owned a tremendous ranch. Because he had such a large area to cover in order to over-see the operation, he borrowed the money to buy a helicopter.	
_____ 4.	Jane Smith borrowed enough money to return to graduate school. After obtaining a master's degree, she was able to get a higher paying job.	

100. DIRECTIONS: Column A lists descriptions of various types of special checks or methods of making payment. For each description in column A, indicate the choice from column B to which it applies. Choices from column B may be used once, more than once, or not at all.

	Column A	Column B
_____ 1.	A form stating that money is to be paid to the person named on the form, and which can be purchased at places other than banks	A. money orders B. traveler's checks C. cashier's checks D. certified checks E. bank draft
_____ 2.	A check of one bank drawn on its own deposits with some other bank	
_____ 3.	A personal check for which payment has been guaranteed by the bank	
_____ 4.	Checks bought in specific denominations which may be cashed anywhere in the world	
_____ 5.	Often used for paying small bills by people who do not have personal checking accounts	

101. DIRECTIONS: On the line to the left of each consumer choice in column A, write the letter of the factor from column B which is most likely to be influencing the consumer's spending.

	Column A	Column B
_____ 1.	Mary paid far more than she could afford for a silk blouse because it would make her "appear so elegant."	A. peers B. status C. cost of living D. impulse buying
_____ 2.	Ann often spends well over her grocery budget on shopping trips. On checking her purchases she finds many small items which were not on her list.	
_____ 3.	The Smith family at one time had extra money for special treats. Now, although they budget carefully, their entire income seems to be needed for necessities.	
_____ 4.	The Jones family lives on a very limited food and clothes budget so they can live in "the finest neighborhood in town."	

102. DIRECTIONS: Column A gives examples which describe the maintenance of, or an attempt to maintain, one of the six national economic goals in the U.S. Column B lists the six national goals. Match each goal with a maintenance activity from column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	Federal laws have been passed to insure competition and limit the establishment of monopolies.	A. economic freedom B. economic efficiency C. economic growth D. economic stability E. economic justice F. economic security
_____ 2.	In recent years, federal wage and price controls were imposed in an attempt to reduce inflation.	
_____ 3.	Public assistance programs of various forms are present to help low income groups.	
_____ 4.	In our economic system, it is generally true that the greater producers accrue the greater share of wealth.	
_____ 5.	In general, businesses and property in the U.S. are privately owned.	
_____ 6.	Over the years, the general level of living in the U.S. has steadily increased.	

103. DIRECTIONS: Column A gives examples of attempts to meet various human needs. Match each need in column B with an example of how people meet that need as described in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	When Jackie was on a hiking trip a terrible thunder storm came up suddenly. He had to crawl into a cave to wait for it to end.	A. self-actualization B. esteem C. love and belongingness D. security/safety E. physiological
_____ 2.	I do not feel that my best talents are used in my present job.	
_____ 3.	My mother has the greatest respect for doctors, so I am going to medical school.	
_____ 4.	When the temperature dropped to below zero on the camping trip, Joan was grateful for the down sleeping bag.	

104. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	offers protection only for a a stated period of time	A. term insurance B. limited-payment life C. endowment insurance D. straight life E. combination life F. annuity contract
_____ 2.	pays a definite sum to survivors at policy holder's death, or to policy holder at a stated time if death has not occurred	
_____ 3.	a basic insurance policy which provides protection over a long period of years	
_____ 4.	has no cash or loan value	
_____ 5.	sometimes called ordinary life	

105. DIRECTIONS: Column A contains descriptions of various types of life insurance policies. Column B lists various types of life insurance policies. Match the policy type in column B with the appropriate description in column A. Choices in column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a life insurance policy which restricts payment of premiums to a stated number of years	A. term insurance B. limited-payment life C. endowment insurance D. straight life E. combination life F. annuity contract
_____ 2.	best form of life insurance for the purpose of providing protection to dependents of policy holder	
_____ 3.	provides a guaranteed monthly or yearly income beginning at a specific age	
_____ 4.	provides maximum protection at lowest possible cost	
_____ 5.	effective way of providing income after retirement	

106. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a 40 year old worker who is fired from his job	A. social security old age insurance
_____ 2.	a young child, dependent of a man who became paralyzed at age 45	B. workmen's compensation
_____ 3.	a 65 year old retired worker	C. unemployment compensation
_____ 4.	a 30 year old who was severely injured in a job related accident	D. aid to needy dependent children
_____ 5.	a young child, dependent of a 65 year old retired worker	E. social security survivor's benefits
		F. social security disability insurance

107. DIRECTIONS: Column A describes people at various stages of the life cycle. Column B lists various social insurance programs. Choose the program in column B which may provide benefits to each person in column A. Choices from column B may be used once, more than once, or not at all.

Column A		Column B
_____ 1.	a hospitalized 67 year old woman	A. social security survivor's insurance
_____ 2.	a 20 year old college student whose father retired at age 65	B. medicare
_____ 3.	a hospitalized person from a low income family	C. medicaid
_____ 4.	a 50 year old miner with black lung disease	D. social security disability insurance
_____ 5.	a 68 year old man who requires periodic kidney dialysis	E. social security old age insurance
		F. workmen's compensation

108. DIRECTIONS: Column A lists major purposes of insurance. Column B lists major types of insurance policies. Match each purpose in column A with the appropriate policy type from column B. Choices from column B may be used once or more than once.

Column A		Column B
_____ 1.	provides income after retirement	A. life insurance
_____ 2.	protection against financial loss due to causing injury to another person	B. property insurance C. liability insurance D. medical insurance
_____ 3.	provides income to survivors of the insured	
_____ 4.	savings for future needs	
_____ 5.	protection against financial loss due to causing damage to the property of others	
_____ 6.	protection against financial loss due to damage to the contents of the home	
_____ 7.	replaces a portion of income lost due to illness	
_____ 8.	protection against financial loss due to theft of contents of an automobile	
_____ 9.	may be borrowed against to cover financial emergencies	

109. In the blank beside each example below write:
A - if the example describes a consumer good
B - if the example describes a capital good used in the production of a consumer good
C - if the example describes a capital good used in the production of a consumer service

_____ a law book, used by a lawyer to research a case
_____ a mystery book read by a student for pleasure
_____ a receipt book used in a restaurant by the chef
_____ a history book used by a student to study for an exam
_____ a mystery book used by an English professor to teach literature